

CAUSE NO. DC-C201500376

BRADLEY and KIMBERLY ALLEN § IN THE DISTRICT COURT
Plaintiffs, §
§
§
§
v. § THE 413TH DISTRICT
§
§
HORACE MANN LLOYDS and §
AMERICAN TECHNOLOGIES, INC. §
Defendants, § JOHNSON COUNTY, TEXAS

PLAINTIFFS' ORIGINAL PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Bradley and Kimberly Allen, Plaintiffs, and files this, their Original Petition, and complains of Horace Mann Lloyds and American Technologies, Inc., Defendants, and in support thereof, would show the Court as follows:

I. DISCOVERY

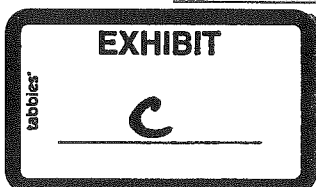
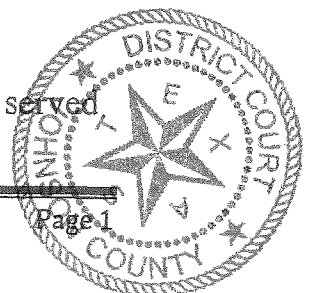
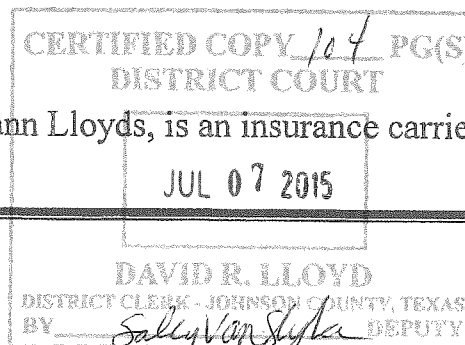
1. Plaintiffs request that discovery in this action be conducted under a Level 2 plan in accordance with Texas Rule of Civil Procedure. See TEX. R. CIV. P. § 190.3.

II. JURISDICTION & VENUE

2. Plaintiffs, Bradley and Kimberly Allen, are individuals who reside in Johnson County, Texas.

3. Defendant, Horace Mann Lloyds, is an insurance carrier, who can be served

Original Petition



with process by and through Corporate Service Company, 211 E. 7th Street, Suite 620, Austin, Texas 78701-3218.

4. Defendant, American Technologies Inc., is a business entity who can be served with process by and through ParaCorp, Inc. at 3610-2 N. Josey Lane, Suite 223, Carrollton, Texas 75007.

5. All or a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in Johnson County, Texas. Plaintiffs reside in Johnson County, Texas. Therefore, pursuant to the Texas Civil Practice & Remedies Code, venue is proper in Johnson County, Texas. See TEX. CIV. PRAC. & REM. CODE § 15.003(a)(1).

6. Plaintiffs seek monetary relief within the jurisdictional limits of this Court. See TEX. R. CIV. P. § 47(c).

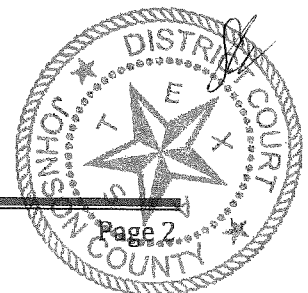
III. EXHIBITS

7. In support of this Original Petition, Plaintiffs incorporate by reference, in their entirety, the following exhibits:

Exhibit A: Insurance Policy

Exhibit B: ATI Contract

All of the foregoing exhibits attached to this Original Petition are hereby incorporated by reference as though specifically set forth herein.



IV. FACTUAL BACKGROUND

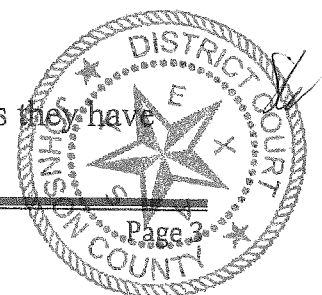
8. On May 15, 2013, a tornado struck Cleburne, Texas causing significant damage to Bradley and Kimberly Allen's ("Allens") home located at 1510 Clear Creek (the "property").

9. The claims process commenced the following day with Horace Mann Lloyds (Lloyds"), the Allens' insurance carrier under policy number 001842956 ("Policy"). Lloyds had a preferred vendor list that recommended American Technologies, Inc. ("ATI") as a contractor who would be reliable in regards to repairing and restoring the property.

10. ATI commenced work on the property but failed to complete that work. During the repair and restoration process, ATI performed subpar work that fell far below any industry standard. More specifically, there are ongoing damages associated with the plumbing, electrical, insulation, trim, doors, cabinets, masonry, windows, bathrooms and countertops among many other repairs. Plaintiffs have suffered other damages associated with appliances, relocation, inspection and moving costs along with severe emotional distress.

11. To date, the Property still requires extensive repair and refurbishing. Much of the damages not only stemmed from the tornado itself, but also from the tortious actions of the Defendants.

12. Demand has been made on Defendants to remedy the damages they have



caused. Defendants offers to settle were insulting and they failed to take responsibility for their actions. The Allens were left with no other choice but to file this lawsuit.

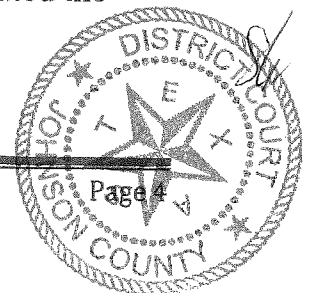
V. LEGAL AUTHORITY & CLAIMS

Breach of Contract

13. A valid and enforceable contract existed between the Allens and the Defendants. See Exhibits A and B. The Allens are a proper party and have standing to sue Defendants under those contracts. The Allens performed, tendered performance of, or were excused from performing its contractual obligations. The Defendants subsequently breached the contracts between parties. The Allens suffered injury in connection with Defendants' breach. See *Hackberry Creek Country Club, Inc. v. Hackberry Creek Home Owners Ass'n*, 205 S.W.3d 46, 55 (Tex. App. – Dallas 2006, pet. denied); *Residential Dynamics, LLC v. Loveless*, 186 S.W.3d 192, 198 (Tex. App. – Fort Worth 2006, no pet.); *Zuniga v. Wooster Ladder Co.*, 119 S.W.3d 856, 862 (Tex. App. – San Antonio 2003, no pet.)

Violations of the Texas Deceptive Trade Practices Act

14. The Allens are a consumer as defined under Section 17.45 of the Texas Business & Commerce Code. See Tex. Bus. & Comm. Code § 17.45. Lloyds and ATI committed a false, misleading or deceptive act or practice that violated the



Texas Deceptive Trade Practices Act. The Allens relied on this act and/or representation to their detriment and, as a result, suffered damages.

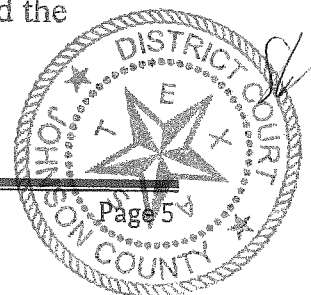
15. Defendants caused confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services. See TEX. BUS. & COM. CODE § 17.46(b)(2).

16. Defendants represented that deteriorated, reconditioned, reclaimed, used, or secondhand goods are original or new. See TEX. BUS. & COM. CODE § 17.46(b)(6).

17. Defendants knowingly made false or misleading statements of fact concerning the need for parts, replacement, or repair service. See TEX. BUS. & COM. CODE § 17.46(b)(9).

18. Defendants represented that an agreement conferred or involved rights, remedies, or obligations that it did not have or involve, or that were prohibited by law. See TEX. BUS. & COM. CODE § 17.46(b)(12); *Brown & Brown of Texas, Inc. v. Omni Metals*, 317 S.W.3d 361, 377-378 (Tex. App. – Houston [1st Dist.] no pet. h.); *Home Sav. Ass'n Service v. Martinez*, 788 S.W.2d 52, 57-58 (Tex. App. – San Antonio 1990, den.) (“post-incident denials of liability under a contract”).

19. Defendants based a charge for repair of any item in whole or in part on a guaranty or warranty, instead of on the value of the actual repairs made or the work to be performed, without separately stating the charges for the work and the warranty or guaranty. See TEX. BUS. & COM. CODE § 17.46(b)(15).



20. Defendants falsely represented that work or services have been performed on, or parts replaced in, goods. See TEX. BUS. & COM. CODE § 17.46(b)(22).

DTPA Breach of Warranty

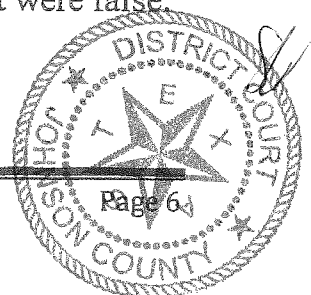
21. The Allens are consumers under the DTPA. Defendants warranted their services were of a particular quality and subsequently breached those warranties causing the Allens to suffer damages. See TEX. BUS. & COMM. CODE § 17.50(a)(2); *Elliot v. Kraft Foods North America, Inc.*, 118 S.W.3d 50, 56 (Tex. App. – Houston [14th Dist.] 2003, no pet.); *U.S. Tire-Tech., Inc. v. Boeran, B.V.*, 110 S.W.3d 194, 197 (Tex. App. – Houston [1st Dist.] 2003, pet. denied).

Violations of the Insurance Code

22. Lloyds engaged in an unfair or deceptive act or practice when they misrepresented to Plaintiffs a material fact or policy provision relating to the coverage. Lloyds failed to settle claims by and between parties in a prompt, fair and equitable manner despite clear and unequivocal liability. See TEX. INS. CODE §§ 541.060, 542.003. Further, Lloyds failed to promptly and efficiently handle and process the Allens water damage claims filed under the Policy. See TEX. INS. CODE § 542.251.

Fraud

23. The Defendants made material representations to the Allens that were false.



At the time the representations were made, the Defendants knew the representation was false or made the representation recklessly, as a positive assertion, and without knowledge of its truth. Defendants made these representations with the intent that the Allens act on them and they did in fact act on the representations causing them to suffer injury. See *In re First Merit Bank*, 52 S.W.3d 749, 758 (Tex. 2001); *Ernst & Young, LLP v. Pacific Mut. Life Ins. Co.*, 51 S.W.3d 573, 577 (Tex. 2001).

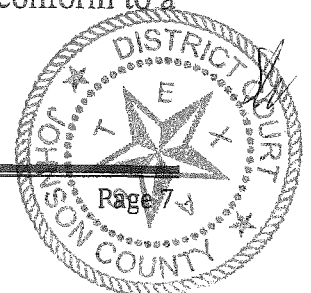
Intentional Infliction of Emotional Distress

24. The Allens are individuals who suffered from Defendants' intentional or reckless conduct; conduct so extreme and outrageous that it caused damages to the Allens. See *Texas Farm Bureau Mutual Insurance v. Sears*, 84 S.W.3d 604, 610 (Tex. – 2002); *Standard Fruit & Veg. Co. v. Johnson*, 985 S.W.2d 62, 65-68 (Tex. – 1998).

Negligence

25. Negligence occurs when the Defendant (1) owed a legal duty to the Plaintiff; (2) the Defendant breached that duty; and (3) the breach proximately caused the Plaintiff's Injury. See *Western Invs. v. Urena*, 162 S.W.3d 547, 550 (Tex. 2005); *D. Houston, Inc. v. Love*, 92 S.W.3d 450, 454 (Tex. 2002).

26. "Legal duty" is a legal obligation that requires the defendant to conform to a



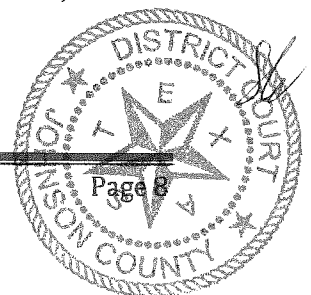
certain standard of conduct to protect others against unreasonable risks. See PROSSER AND KEETON ON TORTS § 30. The existence of a duty is usually a question of law. See *Kroger Co. v. Elwood*, 197 S.W.3d 793, 794 (Tex. 2006). The Defendants failed to conform to that legal duty and the Allens suffered damages as a result of Defendants failure.

Agency

27. ATI acted as the agent of Lloyds and an agency relationship existed by and between the two defendants. “Agency” is a fiduciary relationship resulting from the manifestation of consent by one person to another for the other person to act on the former’s behalf and subject to the former’s control, together with consent by the other person to so act. See *National Plan Adm’rs v. Nat. Health Ins.*, 235 S.W.3d 695, 700 (Tex. 2007); *Walker Ins. Services v. Bottle Rock Power*, 108 S.W.3d 538, 549 (Tex. App. – Houston [14th Dist.]).

Conversion

28. The Allens owned, possessed, or had a right to immediate possession of personal property. Defendants wrongfully exercised dominion or control over the property resulting in injury suffered by the Allens. See *Green Int’l v. Solis*, 951 S.W.2d 384, 391 (Tex. 1997); *United Mobile Networks, L.P. v. Deaton*, 939 S.W.2d 146, 147 (Tex. 1997); *Khorshid, Inc. v. Christian*, 257 S.W.3d 748, 759 (Tex. App. – Dallas 2008, no pet.).



Treble Damages

29. Plaintiffs are entitled to treble their mental anguish and economic damages pursuant to the Texas Deceptive Trade Practices Act. See TEX. BUS. & COMM. CODE § 17.50(e).

Attorney's Fees & Costs

30. Plaintiffs are entitled to a reasonable and necessary attorney fee under both The Civil Practice & Remedies Code and the Contract. See TEX. CIV. PRAC. & REM. CODE §38.001

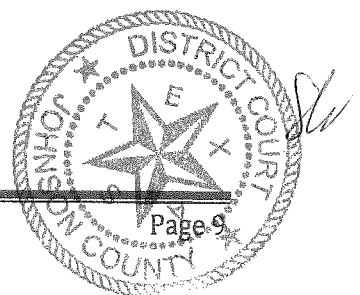
31. Plaintiffs are entitled to attorney's fees for their breach of warranty claim.

See

Medical City Dallas, Ltd. v. Carlisle Corp., 251 S.W.3d 55, 63 (Tex. 2008).

32. In an action for promissory estoppel, the Plaintiffs can recover attorney fees. See TEX CIV. PRAC. & REM. CODE § 38.001(8); *Frost Crushed Stone Co. v. Odell Geer Constr. Co.*, 110 S.W.3d 41, 44 (Tex. App. – Waco 2002, no pet.).

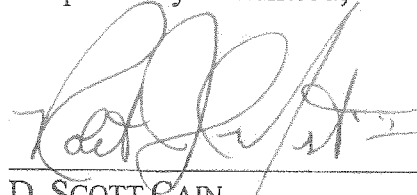
33. Additionally, Plaintiffs request attorney's fees, pre and post-judgment interest and costs of court under both the Texas Insurance Code Chapter and the Texas Business & Commerce Code. See TEX. INS. CODE § 541.152; TEX. BUS. & COMM. CODE § 17.50(d).



VI. PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiffs pray the Court grant them all relief requested herein and award them the damages requested for which they are entitled. Plaintiffs additionally request both pre-judgment and post-judgment interest as provided by law, attorney's fees and costs of court. Plaintiffs further request any such other relief, both general and specific, in law or equity, to which they may be entitled.

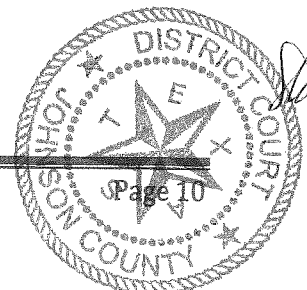
Respectfully submitted,



D. SCOTT CAIN	24025279
MARK HINES	24055667
ROBERT J. MASTELLER III	24081366

CAIN & ASSOCIATES, P. C.
Attorneys at Law
508 N. Ridgeway Drive
Cleburne, Texas 76033
817-645-1717 (office)
817-645-1739 (facsimile)
efile@cainlawyers.com

ATTORNEYS FOR PLAINTIFFS



TO: AGENT COMPANY:

The Horace Mann Companies

1 Horace Mann Plaza
Springfield, IL 62701
Customer Care Center 800-999-1030
Fax 877-832-3785

Date 2/27/2014 1:20:42 PM

of pages 2

To AGENT

Company/Department

Phone

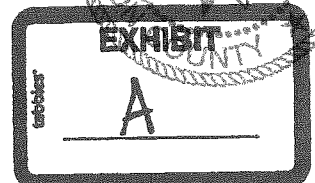
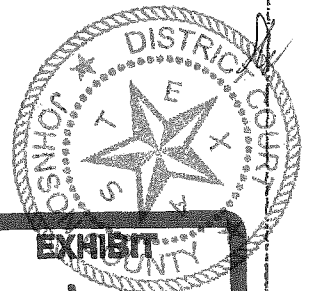
Fax 888-429-9440

Comments

Disclosure: The documents attached to or contained within this facsimile transmission may contain information which is confidential and intended for the listed recipient. If you have received this facsimile in error, you may notify the sender and destroy it. If you wish the sender not to send any future faxes, please notify us at the address below or at telephone 800-234-9250, fax 800-390-0135 or email facsimile@horacemann.com so that we may properly address the issue. Please identify the sending fax number in your call or correspondence. Your request to opt-out of future faxes will be hindered within 30 days of receipt. Failure to abide with our requests within 30 days is unlawful. The Horace Mann Insurance Companies, 1 Horace Mann Plaza, Springfield, IL 62715.



Auto | Home | Life | Annuity



TO: AGENT COMPANY:

100942001842956X19 BYTE_STREAM00000002
STATE: 42 COMPANY: 09 POLICY CHANGE POLICY NUMBER: 001842956
POLICY TYPE: TEXAS HOMEOWNER POLICY - FORM HOA DEC TYPE AMENDED
DECLARATIONS - 08
BATCH SORT NUMBER: 01000 COMPANY: HORACE MANN LLOYDS P.O. BOX 4547
SPRINGFIELD, IL 62708-4547
RECIPIENTS: INSURED KAR AGENT BUREAU MTG1-HP MTG2-HP
FORMS MAILED: BILEBLNK CLP52005 CAP53044 CCH06TX3
EFFECTIVE DATE: 05/08/2013 EXPIRATION DATE: 05/08/2014 EFFECTIVE TIME: AT 12:01
A.M. STANDARD TIME

MAIL TO: ALLEN, BRADLEY EUGENE
& ALLEN, KIMBERLY A
1510 CLEAR CREEK DR
CLEBURNE, TX 76033-7546
PRI INS: ALLEN, BRADLEY EUGENE
HUSB & WIFE JNT TNT COMM PROP
& ALLEN, KIMBERLY A
1510 CLEAR CREEK DR
CLEBURNE, TX 76033-7546

AGENT NUM: A172
AGENT: AMYETT, WARREN
AMYETT FINANCIAL SER
909 W HENDERSON ST
CLEBURNE, TX 76033
1-888-429-2669

BANK OF TEXAS
ISAAA
PO BOX 7000
TROY, MI 48007
Loan # 0001160456

COMMUNITY BANK
104 N. NOLAN RIVER ROAD
CLEBURNE, TX 76033
Loan # 60005881

LOAN NBR:
SEC INS1:

LOAN NBR:

COVERAGES
PREMIUM

SECTION I PROPERTY
COVERAGE A. DWELLING
OTHER STRUCTURES
COVERAGE B. PERSONAL PROPERTY
PERSONAL PROPERTY OFF PREMISES

SECTION II LIABILITY (EACH OCCURRENCE)
COVERAGE C. PERSONAL LIABILITY (EACH OCCURRENCE)
COVERAGE D. MEDICAL PAYMENTS LIABILITY (EACH OCCURRENCE)

OTHER RESIDENTIAL PREMISES - LOCATION:
LOSS OF USE COVERAGE

LIMITS OF LIABILITY

\$ 258,000
\$ 25,800
\$ 154,800
\$ 15,480
\$ 500,000
\$ 5,000
\$ 51,600

BASIC PREMIUM:

\$3,143.00
INCREASED LIABILITY LIMITS
\$21.00
% RURAL CREDIT APPLIES

DEDUCTIBLE DEDUCTIBLES
(SECTION I ONLY)

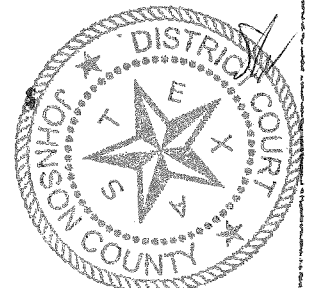
ADJUSTMENT PREMIUM
DEDUCTIBLE CLAUSE 1
DEDUCTIBLE CLAUSE 2
DEDUCTIBLE CLAUSE 3
THEFT

AMOUNT OF
DEDUCTIBLE
\$2580
\$2580
NIL

\$1,595.00 TX BUREAU TOTAL PREMIUM \$1,595.00
PRO RATE FACTOR .690

TOTAL POLICY PREMIUM
ADDITIONAL PREMIUM

ENDORSEMENT NUMBER AND TITLE
HOA 01.02 HOMEOWNERS FORM A
CCH06TX1 LOSS SETTLEMENT AMEND. ENDORSEMENT
Page 1



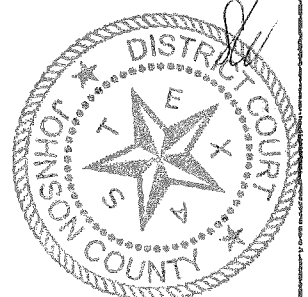
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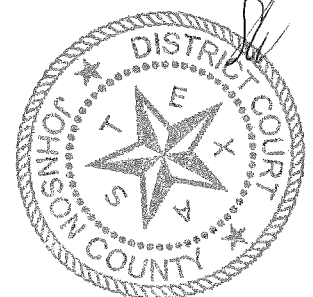
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340.00			
HO101	10.93	REPLACEMENT COST PERSONAL PROPERTY	\$
340.00			
HO105	07.92	RESIDENCE GLASS	\$
4.00			
HO126	07.92	PERSONAL COMPUTER COVERAGE	\$ 3,500 \$
18.00			
NOTE:	5%	PREM REDUCTION CERT APPLICABLE	-\$
100.00			
NOTE:	15%	PREM REDUCTION CERT APPLICABLE	-\$
299.00			
NOTE:		EDUCATOR DISCOUNT	-\$
377.00			
100942001842956X19		POLICY CHANGE	POLICY NUMBER: 001842956
STATE: 42	COMPANY: 09	CURRENT DATE: 09/11/2013	
POLICY TYPE: TEXAS HOMEOWNER POLICY - FORM HOA		DEC TYPE	AMENDED
DECLARATIONS - 08			
BATCH SORT NUMBER: 01000	COMPANY: HORACE MANN LLOYDS	P.O. BOX	4547
	SPRINGFIELD, IL 62708-4547		
NOTE:	CLAIM RECORD/PERSISTENCY FACTOR APPLIES		-\$
1562.00			
HM686	03.07	IDENTITY FRAUD ADVOCACY SERVICES	
NOTE:	08%	MULTI-LINE DISCOUNT	-\$
272.00			
NOTE:	YEAR OF CONSTRUCTION CREDIT APPLIES		-\$
170.00			
*CCH06TX3	06.08	TEXAS HOMEOWNER AMEND. ENDORSEMENT	\$ 25,000 \$
509.00			
HO134	04.01	AMENDATORY ENDORSEMENT	
HO161A		HO AMENDATORY MANDATORY ENDORSEMENT	
HO195	03.93	AMENDATORY ENDORSEMENT	
HO340	10.93	AMENDATORY ENDORSEMENT	

----- REMAINING DATA -----

COMPANY.CITY.ST.ZIP	: SPRINGFIELD, IL 62708-4547
SERVICE.PHONE.NUMBER	: 1-800-999-1030
SERVICE.LINE.1	: For service call your agent, visit horacemann.com or
call 1-800-999-1030.	
AGENCY.ADDRESS	: CLEBURNE, TX 76033
AGENT.PHONE.LBL	: Phone:
SERVICE.LINE.2	: To report a claim call 1-800-999-1030 or visit
horacemann.com.	
DEC.PAYOR.2	: INSURED PAYS PREMIUM
LOC.1	: 1510 CLEAR CREEK DR
LOC.2	: CLEBURNE TX 76033
LOC.ZIP	: 00000
COUNTY.NAME	: JOHNSON
LOT.BLOCK.DESC.2	: JOHNSON
LOT.BLOCK.DESC.CONST	: BRICK VENEER
LOT.BLOCK.DESC.ROOF	: COMPOSITION 05
PROT.CLASS	: 02
THO.CITY.LIMIT	: INSIDE
THO.PRORATE.PREM	: \$213.00
THO.PRORATE.PREM.BUREAU	: \$213.00
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END.CCH06TX3.COV.AMT	: 25,000





**Horace Mann Lloyds**

1 Horace Mann Plaza
Springfield, Illinois 62715-0001

Declaration page

Transaction date 09/11/2013

AMENDED DECLARATIONS - 08/29/2013

Policy no. 42 - 001842956

Policy period:

Effective date: 05/08/2013 at 12:01 a.m. Standard Time
Expiration date: 05/08/2014 at 12:01 a.m. Standard Time
at the location of the residence premises/dwelling

Named insured/mailling address

ALLEN, BRADLEY EUGENE
HUSB & WIFE JNT TNT COMM PROP
& ALLEN, KIMBERLY A
1510 CLEAR CREEK DR
CLEBURNE, TX 76033-7546

Residence premises/dwelling

1510 CLEAR CREEK DR
CLEBURNE TX 76033

00000

County: JOHNSON
Lot/block/addition
JOHNSON

Coverages**Section I Property**

Coverage A. Dwelling
Other structures
Coverage B. Personal Property
Personal property off premises

Section II Liability

Coverage C. Personal Liability (each occurrence)
Coverage D. Medical Payments to Others (each person)
Other residential premises-location:

Loss of Use coverage

Increased liability limits
% rural credit applies

**Deductibles
(Section I only)**

Deductible clause 1
Deductible clause 2
Deductible clause 3
Theft

PRO RATE FACTOR .690

Texas homeowner policy - Form HOA

01000

Mortgagee

BANK OF TEXAS
ISADA
PO BOX 7000
TROY, MI 48007
Loan # 0001160456

Agent:

AMYETT, WARREN
AMYETT FINANCIAL SER
909 W HENDERSON ST
CLEBURNE, TX 76033
Phone: 1-888-429-2669

Construction: BRICK VENEER

Roof: COMPOSITION 05

PPC: 02 Key rate:

City limit: INSIDE
inside/outside

Limits of liability**Premium**

\$ 258,000
\$ 25,800
\$ 154,800
\$ 15,480

\$ 500,000
\$ 5,000

\$ 51,600

Basic premium

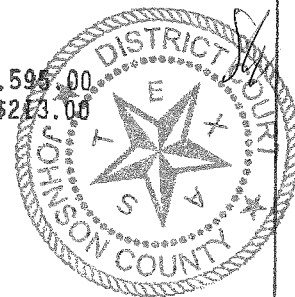
\$3,143.00
\$21.00

Amount of
deductible
\$2580
\$2580
NIL

Deductible
adjustment premium

Total policy premium
ADDITIONAL PREMIUM

\$1,595.00
\$213.00



Other coverages, limits and exclusions apply - refer to your policy

To report a claim, obtain information or solve a problem, call 1-800-999-1030 or visit horacemann.com.

Second mortgagee

COMMUNITY BANK
104 N. NOLAN RIVER ROAD
CLEBURNE, TX 76033
Loan # 60005881

Other coverages and endorsements

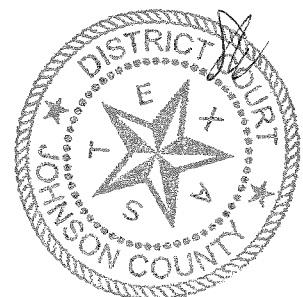
Endorsement number and title

HOA	01.02 HOMEOWNERS FORM A		
CCH06TX1	LOSS SETTLEMENT AMEND. ENDORSEMENT		\$ 340.00
H0101	10.93 REPLACEMENT COST PERSONAL PROPERTY		\$ 340.00
H0105	07.92 RESIDENCE GLASS		\$ 4.00
H0126	07.92 PERSONAL COMPUTER COVERAGE	\$ 3,500	\$ 18.00
NOTE:	5% PREM REDUCTION CERT APPLICABLE		-\$ 100.00
NOTE:	15% PREM REDUCTION CERT APPLICABLE		-\$ 299.00
NOTE:	EDUCATOR DISCOUNT		-\$ 377.00
NOTE:	CLAIM RECORD/PERSISTENCY FACTOR APPLIES		-\$ 1562.00
HM686	03.07 IDENTITY FRAUD ADVOCACY SERVICES		
NOTE:	08% MULTI-LINE DISCOUNT		-\$ 272.00
NOTE:	YEAR OF CONSTRUCTION CREDIT APPLIES		-\$ 170.00
*CCH06TX3	06.08 TEXAS HOMEOWNER AMEND. ENDORSEMENT	\$ 25,000	\$ 509.00
H0134	04.01 AMENDATORY ENDORSEMENT		
H0161A	H0 AMENDATORY MANDATORY ENDORSEMENT		
H0195	03.93 AMENDATORY ENDORSEMENT		
H0340	10.93 AMENDATORY ENDORSEMENT		

This policy is amended as follows:

ADDED ENDORSEMENT CCH06TX3

PLEASE REVIEW THIS INFORMATION CAREFULLY AND RETAIN WITH YOUR POLICY





**Texas Homeowners Amendatory Endorsement
(For use with Form Homeowner-A)
CC-H06TX3 (6/08)**

The following endorsement changes **your** policy. Please read this document carefully and keep it with **your** policy.

THIS ENDORSEMENT AMENDS THE HO-A POLICY FORM BY DELETING SECTION I—PROPERTY COVERAGE, EXTENSIONS OF COVERAGE PARAGRAPH 2., LOSS OF USE; SECTION I—PERILS INSURED AGAINST; SECTION I—EXCLUSIONS; AND SECTION II—EXCLUSIONS IN THEIR ENTIRETY AND SUBSTITUTES THE FOLLOWING PROVISIONS:

Section I—Property Coverage

2. **Loss of use.** If a loss caused by a Peril Insured Against under Section I, makes the **residence premises** wholly or partially untenantable, **we** cover:
- a. additional living expense, meaning any necessary and reasonable increase in living expense **you** incur so that **your** household can maintain its normal standard of living.
 - b. fair rental value, meaning the fair rental value of that part of the **residence premises** usually rented to others by **you**, less any expenses that do not continue.

The total limit of liability for all loss of use is 20% of the Coverage A (Dwelling) limit of liability. This is additional insurance and does not reduce the Coverage A (Dwelling) limit of liability.

The deductible clause does not apply to loss of use coverage.

Payment will be for the reasonable time required up to 24 months, to repair or replace the damaged property. If **you** permanently relocate, payment will be for the reasonable time required for **your** household to become settled.

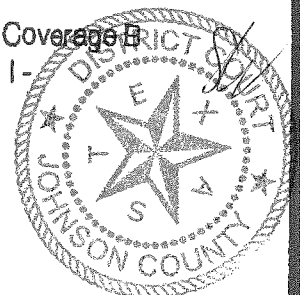
The periods of time for loss of use are not limited by expiration of this policy.

Section I—Perils insured against

**Coverage A (Dwelling) and
Coverage B (Personal property)**

We insure against physical loss to the property described in Coverage A (Dwelling) and Coverage B (Personal property) caused by a peril listed below, unless the loss is excluded in Section I - Exclusions:

1. **Fire and Lightning.**



Texas Homeowner Amendatory Endorsement (Cont.)

2. **Sudden and Accidental Damage from Smoke.**

This peril does not cover loss caused by smog or by smoke from industrial or agricultural operations.

3. **Windstorm, Hurricane, and Hail.**

This peril does not cover:

- a. loss to the following:
 - (1) cloth awnings, greenhouses and their contents, buildings or structures located wholly or partially over water and their contents.
 - (2) radio and television towers, outside satellite dishes, masts and antennas, including lead-in wiring, wind charges and windmills.
- b. loss caused by rain, snow, sand or dust, whether or not driven by wind, unless the direct force of wind or hail makes an opening in the roof or wall and the rain, snow, sand or dust enters through this opening and causes the damage.

4. **Explosion.**

5. **Aircraft and Vehicles.**

Loss must result from actual physical contact of a vehicle with covered property or with the building containing the covered property.

6. **Vandalism and Malicious Mischief.**

7. **Riot and Civil commotion.**

8. **Theft**, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.

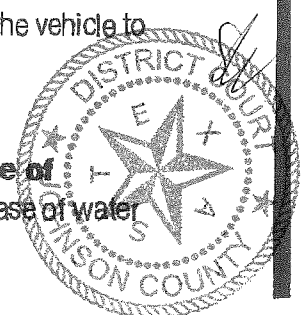
This peril does not cover:

- a. personal property while away from the **residence premises** at any other residence owned by, rented to or occupied by an **insured** except while an **insured** is temporarily living there.
- b. personal property while away from the **residence premises** and unattended in or on any motor vehicle or trailer, other than a public conveyance, unless all its doors, windows and other openings are closed and locked and there are visible marks of forcible entry.

Property is not unattended when the **insured** has entrusted the keys of the vehicle to a custodian.

- c. building materials and supplies not on the **residence premises**.

9. **Sudden and Accidental Discharge, Leakage, Overflow or Release of Water or Steam.** Sudden and accidental discharge, leakage, overflow or release of water





Texas Homeowner Amendatory Endorsement (Cont.)

or steam from within any portion of a plumbing system or from within any portion of a heating or air conditioning system or from within a household appliance.

A loss resulting from this peril includes the cost of tearing out and replacing that part of the dwelling structure, including the slab or the foundation, necessary to repair or replace the system or appliance. But this does not include loss to the system or appliance from which the water or steam escaped.

We do not cover loss caused by constant, repeated or Intermittent discharge, seepage, leakage, overflow or release of water or steam.

Our total Limit of Liability for loss(es) resulting from sudden or accidental discharge, leakage, overflow or release of water or steam from within any portion of a plumbing system that is above the surface of the ground, or from within any portion of a heating or air conditioning system that is above the surface of the ground, or from within a household appliance, during the policy period stated on the declarations page of this policy is \$25,000.

Our total Limit of Liability for loss(es) resulting from sudden or accidental discharge, leakage, overflow or release of water or steam from within any portion of a plumbing system that is above the surface of the ground or is within or below the slab or foundation, or from within any portion of a heating or air conditioning system that is above the surface of the ground or is within or below the slab or foundation, during the policy period stated on the declarations page of this policy is \$5,000.

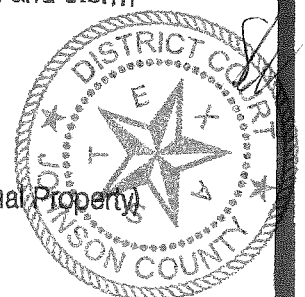
The above limits of liability are the most **we** will pay for the sum of all losses caused by this peril regardless of the number of losses that occur during the policy period stated on the declarations page. Each payment for a loss for this peril during the policy period will reduce this limit of liability by the amount of each such payment for the remainder of the policy period.

This is not additional insurance and does not increase the Coverage A (Dwelling) or Coverage B (Personal property) limit of liability.

10. **Fall of trees or limbs, including felling, topping or trimming.**
11. **Objects falling from the weight of ice, snow or sleet.**
12. **Collapse of building or any part of the building.** **We** do not cover loss either consisting of, or caused directly or indirectly by earthquake, earth movement, landslide, subsidence or earth sinking, or the rising, shifting, expansion, contraction, settling or movement of surface or subsurface soils.
13. **Breakage of glass** which is part of the building including glass in storm doors and storm windows.

Section I—Exclusions

We do not cover property described under Coverage A (Dwelling) or Coverage B (Personal Property)



Texas Homeowner Amendatory Endorsement (Cont.)

for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event contributing concurrently, or in any sequence to the loss.

1. **Electrical Devices.**

We do not cover loss to electrical devices or wiring caused by electricity other than lightning.

We do cover an ensuing loss caused by fire, smoke or explosion. **We** do cover an ensuing loss by theft or attempted theft or any act or attempted act of stealing.

2. **Water Damage.**

We do not cover water damage, meaning:

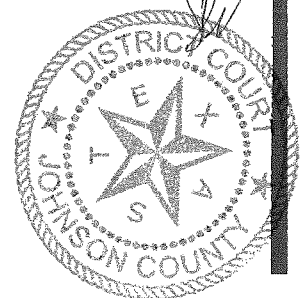
- a. flood, surface water, waves, tidal water or tidal waves, overflow of streams or other bodies of water or spray from any of these whether or not driven by wind:

We do cover an ensuing loss caused by fire, smoke or explosion;

We do cover an ensuing loss by theft or attempted theft or any act or attempted act of stealing;

- b. water which backs up through sewers or drains or which overflows from a sump;
- c. water below the surface of the ground, including water which exerts pressure on or seeps or leaks from within a below ground wastewater or plumbing system, or water that exerts pressure on, or that seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool, spa or other structure;
- d. constant, repeated or intermittent discharge, leakage, overflow or release of water or steam;
- e. freezing of a plumbing system, whether above or below the ground, of a lawn sprinkler or drip system, or automatic fire protective sprinkler system, of a heating or air conditioning system, or of a household appliance, or by discharge, leakage overflow or release of water from within the system, whether above or below ground, or an appliance caused by freezing. This exclusion 2(e) for water damage applies only while the dwelling is vacant, unoccupied or being constructed, unless **you** have used reasonable care to:
- (1) Maintain heat in the building; or
- (2) Shut off the water supply and drain the system and appliances of water; and
- f. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a:
- (1) fence, pavement, patio or swimming pool or spa;
- (2) foundation, retaining wall, or bulkhead; or
- (3) pier, wharf or dock.

3. **Governmental Action.**





Texas Homeowner Amendatory Endorsement (Cont.)

We do not cover loss caused by the destruction of property by order of governmental authority.

But **we** do cover loss caused by acts of destruction ordered by governmental authority taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

4. **Building Laws.**

We do not cover loss caused by or resulting from the enforcement of any ordinance or law regulating the construction, repair or demolition of a building or structure.

Building Laws exclusion is modified to provide coverage only to the extent described under Perils Insured Against.

(a) Coverage Provided.

You may use up to \$5,000 (at no additional premium) for the increased costs that **you** incur due to the enforcement of any ordinance or law, which requires or regulates:

- (1) the construction, demolition or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) the demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) the remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

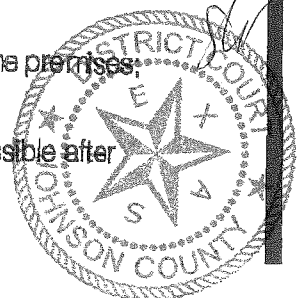
You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in (a). above.

This is additional insurance and does not reduce Coverage A (Dwelling) the limit of liability.

(b) **Building Ordinance or Law Coverage Limitations.**

We will not pay for the increased cost of construction:

- (1) if the building or structure is not rebuilt or repaired;
- (2) if the rebuilt or repaired building or structure is not intended for the same type occupancy as the current building or structure;
- (3) until the building or structure is actually repaired or rebuilt at the same premises;
or
- (4) unless the rebuilding or repairs are made as soon as reasonably possible after



Texas Homeowner Amendatory Endorsement (Cont.)

the loss or damage, not to exceed 365 days after loss unless **you** have requested in writing that this time limit be extended for an additional 180 days.

(c) We do not cover:

- (1) the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) the costs to comply with any ordinance or law which requires any **insured** or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the affect of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- (d) If the insured property is located in an area which is eligible for coverage through the Texas Windstorm Insurance Association, the coverage described above, also applies to the increased cost **you** incur due to the repair, replacement or demolition required for the dwelling to comply with the building specifications contained in the Texas Windstorm Insurance Association's plan of operation.

All other Terms of the Policy Apply.

5. **War Damage.**

We do not cover loss resulting directly or indirectly from war. This includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by military personnel, destruction or seizure or use for military purpose, and any consequence of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

6. **Nuclear Damage.**

We do not cover loss resulting directly or indirectly from nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused. **We** cover direct loss by fire resulting from nuclear reaction, radiation or radioactive contamination.

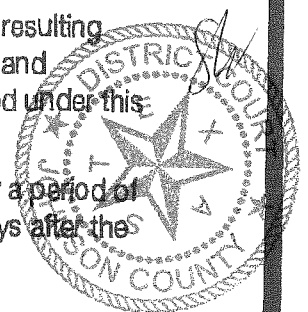
7. **Mold, fungi or other microbes.**

We do not cover loss caused by or resulting from mold, fungi or other microbes.

This exclusion does not apply to an ensuing loss caused by fire, smoke, or explosion.

However, we do cover ensuing mold, fungi or other microbial losses caused by or resulting from sudden and accidental discharge, leakage or overflow of water if the sudden and accidental discharge, leakage or overflow of water loss would otherwise be covered under this policy.

Sudden and accidental shall include a physical loss that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the





Texas Homeowner Amendatory Endorsement (Cont.)

date **you** detect or should have detected the loss.

For purposes of this exclusion, ensuing mold, fungi or other microbial losses covered under this policy include reasonable and necessary repair or replacement of property covered under Coverage A (Dwelling) and/or Coverage B (Personal Property).

We do not cover the cost for remediation, including testing of ensuing mold, fungi or other microbes. We do not cover any increase in expenses for Loss of Use and/or Debris. Removal due to remediation and testing of ensuing mold, fungi or other microbes.

Remediation means to treat, contain, remove or dispose of mold, fungi or other microbes beyond that which is required to repair or replace the covered property physically damaged by water. Remediation includes any testing to detect, measure or evaluate mold, fungi or other microbes and any decontamination of the **residence premises** or property.

8. **Settling, Cracking, Bulging, Shrinkage, Or Expansion.**

We do not cover loss consisting of, caused by, contributed to, aggravated by or resulting from settling, cracking, bulging, shrinkage, or expansion of foundations, foundation piers, foundation beams, slabs, walls, floors, ceilings, roof structures, walks, drives, curbs, fences, retaining walls, bulkheads, spas, or swimming pools.

Acts or omissions of persons can cause, contribute to or aggravate settling, cracking, bulging, shrinkage, or expansion of foundations, foundation piers, foundation beams, slabs, walls, floors, ceilings, roof structures, walks, drives, curbs, fences, retaining walls, bulkheads, spas, or swimming pools. Also, settling, cracking, bulging, shrinkage, or expansion of foundations, foundation piers, foundation beams, slabs, walls, floors, ceilings, roof structures, walks, drives, curbs, fences, retaining walls, bulkheads, spas, or swimming pools can occur naturally to cause a loss or combine with acts or omissions of persons to cause loss. Whenever settling, cracking, bulging, shrinkage, or expansion of foundations, foundation piers, foundation beams, slabs, walls, floors, ceilings, roof structures, walks, drives, curbs, fences, retaining walls, bulkheads, spas, or swimming pools occurs, the loss is always excluded under this policy, however caused.

9. **Outdoor Equipment, Fences, Driveways, Walks, Lawns, Trees, Shrubs And Plants Or Retaining Walls And Bulkheads.**

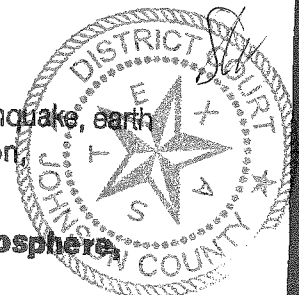
We do not cover loss to outdoor equipment, fences, driveways, walks, lawns, trees, shrubs and plants or retaining walls and bulkheads not a part of the building.

This exclusion only applies to perils 2, 3, 9, 10, 11, 12 and 13.

10. **Earth Movement.**

We do not cover loss either consisting of, or caused directly or indirectly by earthquake, earth movement, landslide, subsidence or earth sinking, or the rising, shifting, expansion, contraction, settling or movement of surface or subsurface soils.

11. **Wear and Tear, Inherent Vice, Deterioration, Dampness Of Atmosphere,**



Texas Homeowner Amendatory Endorsement (Cont.)

Extremes Of Temperature or Condensation.

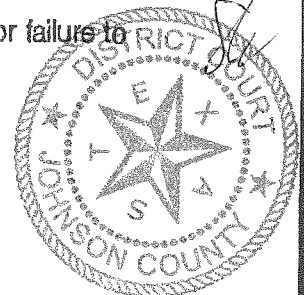
We do not cover loss consisting of, caused by, contributed to, aggravated by or resulting from wear and tear, inherent vice, deterioration, or any quality in property that causes it to damage or destroy itself, dampness of atmosphere, condensation or extremes of temperature.

12. Planning, Zoning, Construction or Maintenance.

We do not cover loss consisting of, caused, contributed to or aggravated by, or resulting from inadequate or defective planning, zoning, development, surveying, siting, design, specifications, workmanship, construction, grading, compaction, maintenance, repairs, or materials whether used in construction, remodeling, maintenance or repair of part or all of any property (including land, structures or any improvements) whether on or off the **insured location**. However, any loss that ensues that is not otherwise excluded is covered.

Section II—Exclusions

1. **Coverage C (Personal Liability) and Coverage D (Medical Payments to Others)** do not apply to:
 - a. **bodily injury or property damage** which is caused intentionally by or at the direction of an **insured**;
 - b. **bodily injury or property damage** arising out of or in connection with a **business** engaged in by an **insured**. But this exclusion does not apply to activities which are ordinarily incidental to non-business pursuits.
 - c. **bodily injury or property damage** arising out of the rental or holding for rental of any part of any premises by an **insured**. This exclusion does not apply to the rental or holding for rental of an **insured location**:
 - (1) on an occasional basis if used only as a residence.
 - (2) in part for use only as a residence, unless a single family unit intended for use by the occupying family to lodge more than two roomers or boarders.
 - (3) in part, as an office, school or studio.
 - (4) if the rental is for not more than three car spaces or stalls in garages or stables.
 - d. **bodily injury or property damage** arising out of the rendering of or failure to render professional services.
 - e. **bodily injury or property damage** arising out of a premises:
 - (1) owned by an **insured**;
 - (2) rented to an **insured**; or





Texas Homeowner Amendatory Endorsement (Cont.)

(3) rented to others by an **insured**;

that is not an insured location.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

f. **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of:

(1) motor or engine propelled vehicles or machines designed for movement on land, including attached machinery or equipment;

(2) trailers, semi-trailers or mobile homes;

which are owned or operated by or rented or loaned to an **insured**.

However, this exclusion does not apply to:

(1) motor vehicles which are not subject to motor vehicle registration and are:

(a) used for assisting the handicapped.

(b) used to service an **insured location**.

(c) golf carts while on the **residence premises** or used for golfing purposes.

(d) designed and used for recreational purposes, and are:

(i) not owned by an **insured**; or

(ii) not owned by an **insured** while on the **residence premises**.

(e) in dead storage on the **residence premises**.

(f) used exclusively on the **residence premises**.

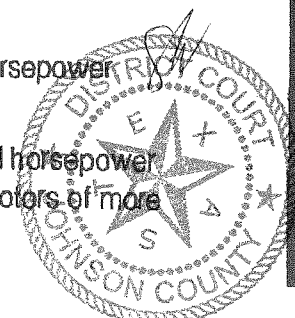
(2) trailers or semi-trailers while not being towed by or carried on a motor vehicle.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

g. **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of watercraft:

(1) with inboard or inboard-outdrive motor power of more than 50 horsepower owned by or rented to an **insured**.

(2) powered by one or more outboard motors with more than 25 total horsepower if the outboard motor is owned by an **insured**. But, outboard motors of more



Texas Homeowner Amendatory Endorsement (Cont.)

than 25 total horsepower are covered for the policy period if:

- (a) **you** acquire them prior to the policy period and:
 - (i) **you** declare them at policy inception; or
 - (ii) **your** intention to insure is reported to **us** in writing within 45 days after **you** acquire the outboard motors.
- (b) **you** acquire them during the policy period.
- (3) that is a sailing vessel, with or without auxiliary power, which is 26 feet or more in length owned by or rented to an **insured**.

This exclusion does not apply while the watercraft is on the **residence premises**.

This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee's employment by an **insured**.

- h. **bodily injury or property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of aircraft.

Aircraft means any device used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

- i. **bodily injury or property damage** arising out of:
 - (1) the entrustment by an **insured** to any person; or
 - (2) the negligent supervision by an **insured** of any person;

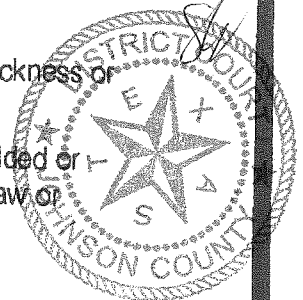
with regard to the ownership, maintenance or use of any motor vehicle, watercraft or aircraft which is excluded in paragraph f., g. or h above.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

- j. **bodily injury or property damage** caused directly or indirectly by war. This includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for military purpose, and any consequence of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- k. **bodily injury or property damage** arising out of the transmission of sickness or disease by an **insured** through sexual contact.

- l. **bodily injury** to any person eligible to receive any benefits voluntarily provided or required to be provided by an **insured** under any workers' compensation law or occupational disease law.





Texas Homeowner Amendatory Endorsement (Cont.)

m. **bodily injury or property damage:**

Arising out of, resulting from, caused by, contributed to aggravated by or resulting from, whether directly or indirectly by rust, mold, fungus, bacteria, or wet or dry rot. This includes:

- (1) the cost of testing, monitoring, abating, mitigating, removing, remediating or disposing of rust, mold, fungus, bacteria, or wet or dry rot;
- (2) any supervision, instruction, disclosures or failures to disclose, recommendations, warnings, or advice given, or which allegedly should have been given, in connection with bodily injury or property damage arising out of, resulting from, caused by or contributed to, whether directly or indirectly, by rust, mold, fungus, bacteria, or wet or dry rot, or the activities described in subpart (1) above; and
- (3) any obligation to share with or repay another who must pay damages because of **bodily injury or property damage** of the type described in this Exclusion. This applies regardless of any other cause that contributed directly or indirectly, concurrently or in any sequence to the **bodily injury or property damage**.

n. **bodily injury or property damage:**

Arising out of the sale or transfer of real property, including but not limited to the following:

- (1) known or unknown property or structural defects;
- (2) known or hidden defects in the plumbing, heating, air conditioning or electrical systems;
- (3) known or unknown soil conditions or drainage problems;
- (4) concealment or misrepresentation of any known defects.

2. **Coverage C (Personal Liability)** does not apply to:

- a. liability under any contract or agreement.

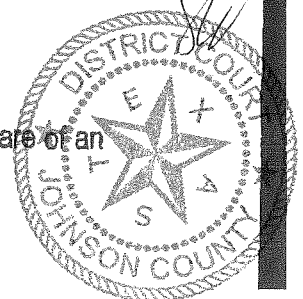
However, this exclusion does not apply to written contracts:

- (1) that directly relate to the ownership, maintenance or use of an **insured location**; or
- (2) where the liability of others is assumed by an **insured**;

unless excluded elsewhere in this policy.

- b. **property damage** to property owned by an **insured**.

- c. **property damage** to property rented to, occupied or used by or in the care of an **insured**.



Texas Homeowner Amendatory Endorsement (Cont.)

This exclusion does not apply to **property damage** caused by fire, smoke or explosion.

- d. **bodily injury** or **property damage** for which an **insured** under this policy is also an **insured** under a nuclear energy liability policy or would be an **insured** under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada.

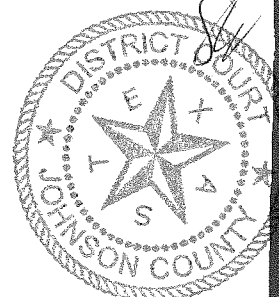
- e. **bodily injury** to **you** or an **insured** within the meaning of part a. or part b. of **insured** as defined.

3. **Coverage D (Medical Payments to Others)** does not apply to:

- a. **bodily injury** to a **residence employee** if the **bodily injury**:

- (1) occurs off the **insured location**; and
- (2) does not arise out of or in the course of the **residence employee's** employment by an **insured**.

- b. **bodily injury** to any person, other than a **residence employee** of an **insured**, regularly residing on any part of the **insured location**.



**Horace Mann Lloyds**

1 Horace Mann Plaza
Springfield, Illinois 62715-0001

Declaration page

Transaction date 05/16/2013

NEW BUSINESS DECLARATIONS

Policy no. 42 - 001842956

Policy period:

Effective date: 05/08/2013 at 12:01 a.m. Standard Time
Expiration date: 05/08/2014 at 12:01 a.m. Standard Time
at the location of the residence premises/dwelling

Named insured/mailling address

ALLEN, BRADLEY EUGENE
HUSB & WIFE JNT TNT COMM PROP
& ALLEN, KIMBERLY A
1510 CLEAR CREEK DR
CLEBURNE, TX 76033-7546

Residence premises/dwelling

1510 CLEAR CREEK DR
CLEBURNE TX 76033

00000

County: JOHNSON
Lot/block/addition
JOHNSON

Coverages**Section I Property**

Coverage A. Dwelling
Other structures
Coverage B. Personal Property
Personal property off premises

Section II Liability

Coverage C. Personal Liability (each occurrence)
Coverage D. Medical Payments to Others (each person)
Other residential premises-location:

Loss of Use coverage

Increased liability limits
% rural credit applies

Deductibles
(Section I only)

Deductible clause 1
Deductible clause 2
Deductible clause 3
Theft

Texas homeowner policy - Form HOA

00000

Mortgagee

BANK OF TEXAS
7060 S YALE AVE
TULSA, OK 74136
Loan # 1160456

Agents

AMYETT, WARREN
AMYETT FINANCIAL SER
909 W HENDERSON ST
CLEBURNE, TX 76033
Phone: 1-888-429-2669

Construction: BRICK VENEER

Roof: COMPOSITION 05

PPC: 02 Key rate:

City limit: INSIDE
inside/outside

Limits of liability**Premium**

\$ 258,000
\$ 25,800
\$ 154,800
\$ 15,480

\$ 500,000
\$ 5,000

\$ 51,600

Basic premium

\$3,265.00
\$21.00

Amount of
deductible
\$2580
\$2580
NIL

Deductible
adjustment premium

Total policy premium

\$1,286.00



Other coverages, limits and exclusions apply - refer to your policy

To report a claim, obtain information or solve a problem, call 1-800-999-1030 or visit horacemann.com.

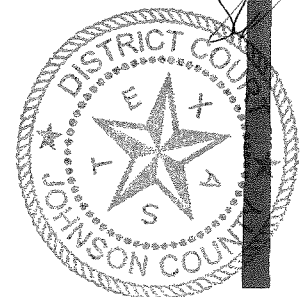
Second mortgagee

COMMUNITY BANK
104 N. NOLAN RIVER ROAD
CLEBURNE, TX 76033
Loan # 60005881

Other coverages and endorsements

Endorsement number and title

*H0A	01.02 HOMEOWNERS FORM A	
*CCH06TX1	LOSS SETTLEMENT AMEND. ENDORSEMENT	\$ 340.00
*H0101	10.93 REPLACEMENT COST PERSONAL PROPERTY	\$ 340.00
*HD105	07.92 RESIDENCE GLASS	\$ 4.00
*H0126	07.92 PERSONAL COMPUTER COVERAGE	\$ 3,500
*NOTE:	5% PREM REDUCTION CERT APPLICABLE	\$ 18.00
*NOTE:	15% PREM REDUCTION CERT APPLICABLE	-\$ 80.00
*NOTE:	EDUCATOR DISCOUNT	-\$ 241.00
*NOTE:	CLAIM RECORD/PERSISTENCY FACTOR APPLIES	-\$ 377.00
*HM686	03.07 IDENTITY FRAUD ADVOCACY SERVICES	-\$1562.00
*NOTE:	08% MULTI-LINE DISCOUNT	
*NOTE:	YEAR OF CONSTRUCTION CREDIT APPLIES	-\$ 272.00
*H0134	04.01 AMENDATORY ENDORSEMENT	-\$ 170.00
*H0161A	HO AMENDATORY MANDATORY ENDORSEMENT	
*H0195	03.93 AMENDATORY ENDORSEMENT	
*H0340	10.93 AMENDATORY ENDORSEMENT	





Important notice

To obtain information or make a complaint contact your agent at the address shown on your declaration page.

You may call our toll-free telephone number for information or to make a complaint at:

1-800-999-1030

You may also write to us at:

HORACE MANN LLOYDS
P.O. BOX 4547
SPRINGFIELD, IL 62708-4547

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance at:

P.O. Box 149104
Austin, TX 78714-9104
FAX # (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

To obtain price and policy form comparisons and other information relating to residential property insurance and personal automobile insurance, you may visit the Texas Department of Insurance/Office of Public Insurance Counsel website:

www.helpinsure.com

Aviso importante

Para obtener información o para someter una queja:

Puede comunicarse con su agente al Vea la pagina de declaraciones.

Usted puede llamar al numero de telefono gratis para información o para someter una queja al:

1-800-999-1030

Usted también puede escribir a:

HORACE MANN LLOYDS
P.O. BOX 4547
SPRINGFIELD, IL 62708-4547

Puede comunicarse con el Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
FAX # (512) 475-1771
Web: <http://www.tdi.state.tx.us>
E-mail: ConsumerProtection@tdi.state.tx.us

Para obtener formas de comparacion de precios y poliza y otra informacion acerca del seguro de propiedad residencial y del seguro de automovil, visite el sitio web del Departamento de Seguros de Texas y la Oficina del Asesor Publico de Seguros:

www.helpinsure.com



CA-G50TX2 (09/07)

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium you should contact your agent first. Should you have a dispute about a claim you should contact the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

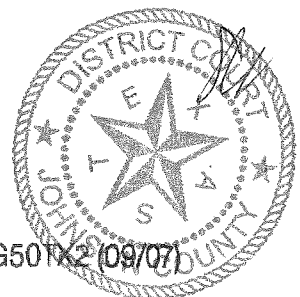
ATTACH THIS NOTICE TO YOUR POLICY:

This notice is for information only and does not become a part or condition of the attached document.

DISPUTAS SOBRE PRIMAS O

RECLAMOS: Si tiene una disputa concerniente a su prima debe comunicarse con su agente primero. Si tiene una disputa concerniente a un reclamo debe comunicarse con la compañía primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para proposito de información y no se convierte en parte o condición del documento adjunto.



CA-G501X2 09/07



**New policy notice
CA-G50015 (9-91)**

Thank you for choosing us to provide your insurance. We appreciate your confidence in our products and services.

Your new insurance policy is enclosed. Please take a few minutes to review it. If your situation requires a bill we've enclosed it with the policy. If your situation requires a refund check, it will be sent separately.

Your agent is the single best source of information about your coverage. If you have any questions about your policy, please call your agent at the phone number printed on the declarations page. We look forward to serving your insurance needs.

**Multi-Line Client Discount
CA-P50087**

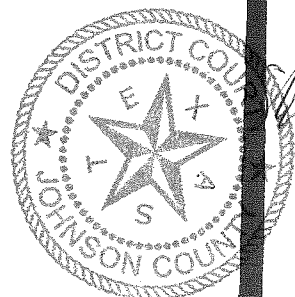
We have something special for our homeowner clients.

All of us like to shop in stores where the clerks can answer our questions, the merchandise is easy to find, and our transaction is followed by a sincere "thank you." With this service, we're quick to become repeat customers.

At Horace Mann, we like to give our repeat customers a special thank you. As a Horace Mann homeowner Insurance policyholder, you've been good to us, and here's our opportunity to be good to you in return.

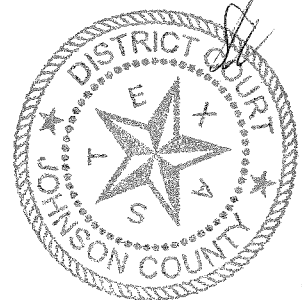
If you have a homeowner policy, and you also carry Horace Mann auto insurance, Horace Mann life Insurance (not including "group life") and/or have purchased a Horace Mann annuity, you may be eligible for a discount to your basic homeowner premium. The more non-homeowner policies you have, the greater your discount.

You'll continue to receive the applicable discount as long as you have your homeowner insurance and your other non-homeowner policies with Horace Mann. Check with your Horace Mann agent if you have any questions regarding this discount. Or, contact our Customer Care Center at **www.horacemann.com** or toll free at 800-999-1030. We appreciate your business and will be happy to help you.



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We respect your privacy

Horace Mann's Privacy Pledge CA-G50025 (2-04)

Place your trust in Horace Mann

You entrust our company with your future when you become a Horace Mann client. And you expect us to value that trust, respect your privacy and protect your personal information. To show we have earned that trust, we want to explain how we gather and use your personal information.

We collect non-public personal information about you. This includes:

- Information we receive from you, such as your name, address, and beneficiaries;
- Information about your transactions with us, our affiliates or others, such as your policy coverage and payment history; and
- Information we receive from consumer reporting agencies, such as your credit standing.

We use this information to issue and service your policy and to offer you other insurance or financial products. We may use any of the information we collect, as described above, within The Horace Mann Companies listed in this brochure, as allowed by law.

We may also provide any of this information as otherwise required or permitted by law, including sharing it with companies that perform marketing or other services on our behalf or companies with whom we have joint marketing arrangements.

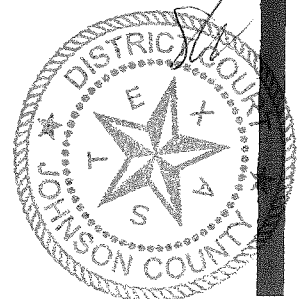
We require these other companies to keep your personal information confidential and to use that information only for the purpose of the marketing or service arrangement.

In addition, we restrict access to your personal information to those employees or companies who need access to that information to provide products or services to you or to us as described above. We also have physical, electronic and procedural safeguards in place to guard your personal information.

We understand the importance of privacy and therefore, we use these privacy practices and policies to protect the personal information of prospective and former customers as well as our current customers.

Thank you for choosing Horace Mann. We appreciate the trust you have placed in us. Questions? Please call our Customer Service area at 1-800-999-1030 or e-mail us at:

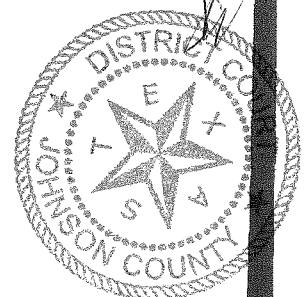
www.horacemann.com



Horace Mann's Privacy Pledge (cont'd)

The Horace Mann Companies include:

Horace Mann Insurance Company;
Horace Mann Property & Casualty Insurance Company;
Horace Mann Life Insurance Company;
Horace Mann Investors, Inc.;
Horace Mann Lloyds;
Horace Mann Service Corporation;
Teachers Insurance Company;
Allegiance Life Insurance Company; and
Educators Life Insurance Company of America.



Consumer Bill of Rights

Homeowners, Dwelling and Renters Insurance

CA-P50TX1(11/12)

AVISO: Este documento es un resumen de sus derechos como asegurado. Usted tiene el derecho a llamar a su compañía y pedir una copia de estos derechos en español.

What is the Bill of Rights?

This Bill of Rights is a summary of your rights and does not become a part of your policy. The Texas Department of Insurance (TDI) adopted the Bill of Rights and requires insurance companies to provide you a copy when they issue your policy.

Texas law gives you certain rights regarding your homeowners, dwelling and renters insurance. This Bill of Rights identifies your rights specified by rule or by state statute, but it does not include all of your rights. Also, some exceptions to the rights are not listed here. Legislative or regulatory changes to statutes or rules may affect your rights as an insured. If your agent, company, or adjuster tells you that one of these rights does not apply to you, contact the TDI's Consumer Protection Program at 1-800-252-3439 (512-463-6515 in Austin), by mail at Mail Code 111-1A, P.O. Box 149091, Austin, TX 78714-9091, or by email at ConsumerProtection@tdi.state.tx.us. For a list of the specific law(s) and/or rule(s) summarized in each item of this Bill of Rights, or if you have questions or comments contact the Office of Public Insurance Counsel (OPIC) toll-free at 1-877-611-6742, by mail at 333 Guadalupe, Suite 3-120, Austin, TX 78701, or visit the OPIC website at www.opic.state.tx.us.

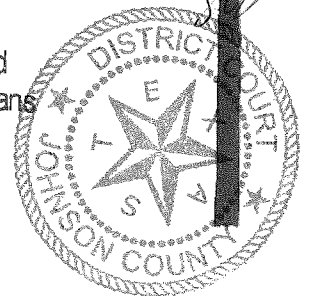
This Bill of Rights does not address your responsibilities. Your responsibilities concerning your insurance can be found in your policy. Failure to meet your obligations may affect your rights.

Getting information from the Department of Insurance and your insurance company

1. **INFORMATION FROM TDI.** You have the right to call TDI free of charge at 1-800-252-3439 or 512-463-6515 in Austin to learn more about:
 - your rights as an insurance consumer;
 - the license status of an insurance company or agent;
 - the financial condition of an insurance company;
 - the complaint ratio and type of consumer complaints filed against an insurance company;
 - use of credit information by insurance companies, including which insurance companies use it and access to each company's credit scoring model;
 - an insurance company's rates filed with the state;
 - an insurance company's underwriting guidelines (subject to exemptions in the Public Information Act, also known as the Open Records Act);
 - the Texas FAIR Plan, designed to help consumers who have been denied coverage by at least two insurance companies; and
 - other consumer concerns.

You can also find some of this information on the TDI website at www.tdi.texas.gov.

At www.helpinsure.com, Texans can find more detailed information on their current and prospective insurers. TDI, in conjunction with OPIC, maintains this website to help Texans



Consumer Bill of Rights For Homeowners & Renters Insurance (Cont.)

shop for residential property insurance and personal automobile insurance. For companies writing in Texas that are in the top 25 company groups nationally, the site also includes:

- a list of insurers by county and/or ZIP code;
- detailed contact information for each insurer;
- sample rates and a brief history of increases and/or decreases in the rates;
- policy form comparisons;
- a list of policy forms, exclusions, endorsements, and discounts offered by each insurer; and
- nonconfidential disciplinary actions against each insurer.

2. **INFORMATION FROM YOUR INSURANCE COMPANY.** You have the right to a toll-free number to call your insurance company free of charge with questions or complaints. You can find this number on a notice accompanying your policy. This requirement does not apply to small insurance companies.

What you should know before you buy insurance

3. **PROHIBITED STATEMENTS.** Your insurance company or agent is prohibited from making false, misleading, or deceptive statements to you relating to insurance.
4. **LENDER-REQUIRED INSURANCE.** A lender cannot require you to purchase insurance on your property in an amount that exceeds the replacement cost of the dwelling and its contents as a condition of financing a residential mortgage or providing other financing arrangements for the property, regardless of the amount of the mortgage or other financing arrangements. In determining the replacement cost of the dwelling, a lender cannot include the fair market value of the land on which a dwelling is located.
5. **CREDIT INFORMATION.** An insurance company cannot deny you insurance solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to offer coverage. (For additional information see the section of this Bill of Rights titled *What you should know about insurance companies' use of credit information.*)
6. **APPLIANCE RELATED WATER DAMAGE CLAIMS.** An insurance company cannot deny you insurance or increase your premium based on a prior appliance-related water damage claim if:

the damage has been properly repaired or remediated; and

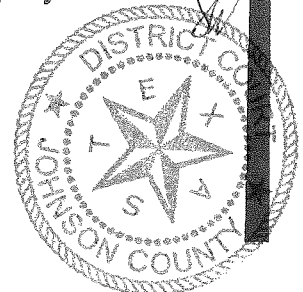
the repair or remediation was inspected and certified.

NOTE: A company can use an appliance-related water damage claim if you file three or more such claims in a 3-year period and the company has paid the claims. A claim includes a claim filed by you or a claim filed on your property.

7. **WATER CLAIMS/MOLD DAMAGE OR CLAIMS.** An insurance company cannot deny you insurance based solely on a single prior water damage claim. An insurance company also cannot deny you insurance because of prior mold damage or a prior mold claim if:

the damage or claim was properly repaired or remediated; and

the repair or remediation was inspected and certified.



Consumer Bill of Rights For Homeowners & Renters Insurance (Cont.)

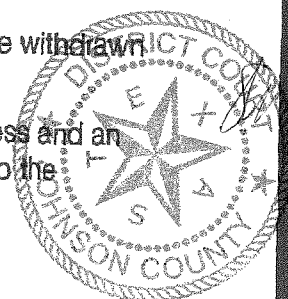
NOTE: A claim includes a claim filed by you or a claim filed on your property.

8. **PROPERTY CONDITION.** Voluntary Inspection Program: You have the right to have an independent inspection of your property by any person authorized by the Commissioner of Insurance to perform inspections. Once the inspector determines that your property meets certain minimum requirements and issues you an inspection certificate, no insurer may deny coverage based on property conditions without reinspecting your property. If an insurer then denies coverage, the insurer must identify, in writing, the specific problem(s) that makes your property uninsurable. You can find a list of available inspectors on the TDI website at www.tdi.texas.gov/company/vipagnt.html or you can contact TDI for the list directly at 1-800-252-3439.
9. **SAFETY NET.** You may have the right to buy basic homeowners insurance through the Texas Fair Access to Insurance Requirements Plan, also known as the Texas FAIR Plan, if you have been denied coverage by two insurance companies. Your property must meet certain requirements, and eligibility for FAIR Plan coverage must be re-established every two years. You can access a list of insurance agents who are authorized to sell this coverage on the Texas FAIR Plan Association website at www.texasfairplan.org or by calling 1-800-979-6440 (512-505-2200 in Austin).
10. **WINDSTORM COVERAGE.** For property located in areas designated by the Commissioner in certain counties on or near the coast, you have the right to buy windstorm and hail coverage from the Texas Windstorm Insurance Association (TWIA), if you have been denied windstorm coverage by one insurance company in the standard market currently providing windstorm coverage. Your property must meet certain requirements, and eligibility for TWIA coverage must be re-established every three years. You may have to re-establish eligibility sooner than every three years if you have made any repairs or alterations to your home. Windstorm coverage through TWIA is limited to a maximum amount set each year by the Commissioner of Insurance. This right applies whether or not you buy other insurance for your house. In all other counties your homeowners or dwelling policy includes windstorm and hail coverage unless you request that this coverage be removed from your policy.
- NOTE: If you live in a certain flood zone (Zone V, Zone VE and Zone VI-130) and your dwelling was constructed, altered, remodeled, or enlarged after September 1, 2009, you must purchase flood insurance through the National Flood Insurance Program (NFIP) in order to be eligible to purchase windstorm coverage through TWIA. However, if NFIP does not provide flood insurance in your area, you are not required to purchase it.
11. **ELECTRONIC PAYMENTS.** If you authorize your insurer to withdraw your premium payments directly from your financial institution, including your escrow account, your insurer cannot increase the amount withdrawn unless:

the insurer notifies you by U.S. mail of the increase in premium at least 30 days prior to its effective date; and

you do not notify the insurer that you object to the increase in the amount to be withdrawn at least five days prior to the increase.

The notice provided by the insurer must include a toll-free number, a mailing address and an email address (if applicable), through which you can contact the insurer to object to the increase.



Consumer Bill of Rights For Homeowners & Renters Insurance (Cont.)

NOTE: This does not apply to premium increases specifically scheduled in the original policy, to increases based on policy changes you request, or to an increase that is less than \$10 or 10% of the previous month's payment.

12. **NOTICE OF REDUCED COVERAGE.** If an insurer uses an endorsement to reduce the amount of coverage provided by your policy, the insurer must give you a written explanation of the change made by the endorsement. The insurer must provide the explanation not later than the 30th day before the effective date of the new or renewal policy. An insurance company cannot reduce coverage during the policy period unless you request the change. If you request the change, the company is not required to provide notice.

13. **NOTICE OF PREMIUM INCREASE.** If your insurer intends to increase your premium by 10 percent or more upon renewal, the insurer must send you notice of the rate increase at least 30 days before your renewal date.

14. **EXPLANATION OF DENIAL.** Upon request, you have the right to be told in writing why you have been denied coverage. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

NOTE: The obligation to provide a written explanation applies to insurance companies directly. An independent agent does not have a specific duty to quote the lowest possible rate to a consumer or to provide a written statement explaining why the agent did not offer the consumer the lowest possible rate.

15. **CUSTOMER INQUIRY.** An insurance company cannot use a customer inquiry as a basis for denying you coverage or determining your premium.

NOTE: A customer inquiry includes:

general questions about your policy;

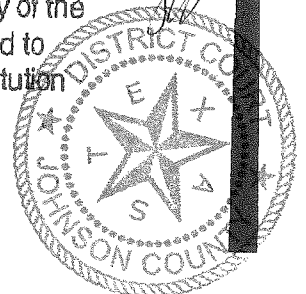
questions concerning the company's claims filing process; and

questions about whether the policy will cover a loss unless the question concerns specific damage that has occurred and that results in an investigation or claim.

16. **RATE DIFFERENTIAL WITHIN A COUNTY.** If an insurer subdivides a county for the purposes of charging different rates for each subdivision, the difference between the lowest and the highest rate cannot exceed 15 percent unless actuarially justified.

17. **RIGHT TO PRIVACY.** You have the right to prevent an insurance company, agent, adjuster or financial institution from disclosing your personal financial information to companies that are not affiliated with the insurance company or financial institution. Some examples are income, social security number, credit history, and premium payment history.

If you apply for a policy, the insurance company or financial institution must notify you if it intends to share financial information about you and give you at least 30 days to refuse. This refusal is called "opting out." If you buy a policy, the insurance company or financial institution must tell you what information it collects about you and whether it intends to share any of the information, and give you at least 30 days to opt out. Agents and adjusters who intend to share your information with anyone other than the insurance company or financial institution must give you similar notices.



Consumer Bill of Rights For Homeowners & Renters Insurance (Cont.)

You can opt out at any time. Your decision to opt out remains in effect unless you revoke it.

These protections do not apply to information:

- publicly available elsewhere;
- insurance companies or financial institutions are required by law to disclose; or
- insurance companies or financial institutions must share in order to conduct ordinary business activities.

What you should know about cancellation and nonrenewal

Cancellation means that **before the end** of the policy period the insurance company:

- terminates the policy;
- reduces or restricts coverage under the policy; or
- refuses to provide additional coverage to which you are entitled under the policy.

Refusal to renew and **nonrenewal** mean the policy terminates **at the end** of the policy period.

The **policy period** is shown on the declarations page at the front of your policy.

18. LIMITATION ON CANCELLATION FOR HOMEOWNERS AND RENTERS POLICIES.

After your initial homeowners or renters policy with your company has been in effect for 60 days or more, that insurance company cannot cancel your policy unless:

- you don't pay your premium when due;
- you file a fraudulent claim;
- there is an increase in the hazard covered by the policy that is within your control and results in an increase in the premium rate of your policy; or
- TDI determines continuation of the policy would result in violation of Insurance laws.

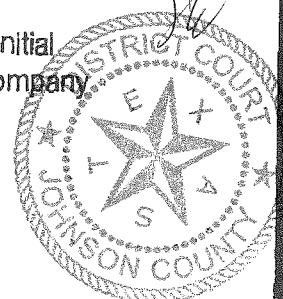
If your policy has been in effect for less than 60 days, your insurance company cannot cancel your policy unless:

- one of the reasons listed above applies;
- the insurance company identifies a condition that:
 - creates an increase in hazard;
 - was not disclosed on your application; and
 - is not the subject of a prior claim; or

the insurance company rejects a required inspection report within 10 days after receiving the report. The report must be completed by a licensed or authorized inspector and cannot be more than 90 days old.

19. LIMITATION ON CANCELLATION FOR DWELLING POLICIES. After your initial dwelling policy with your company has been in effect for 90 days, that insurance company cannot cancel your policy unless:

- you don't pay your premium when due;
- you file a fraudulent claim;



Consumer Bill of Rights For Homeowners & Renters Insurance (Cont.)

there is an increase in the hazard covered by the policy that is within your control and results in an increase in the premium rate of your policy; or

TDI determines continuation of the policy would result in violation of insurance laws.

20. **NOTICE OF CANCELLATION.** To cancel your policy, your insurance company must mail notice at least 10 days prior to the effective date of the cancellation. Your policy may provide for even greater notice.
21. **POLICYHOLDER'S RIGHT TO CANCEL.** You have the right to cancel your policy at any time and receive a refund of the remaining premium.
22. **CHANGE IN MARITAL STATUS.** If your marital status changes, you have the right to continue your insurance coverage. You have a right to a new policy in your name with coverages that most nearly approximate the coverages of your prior policy, including the same expiration date. The insurance company cannot date the new policy so that a gap in coverage occurs.
23. **USE OF CLAIMS HISTORY TO NONRENEW OR DETERMINE RENEWAL PREMIUM.** Your insurance company cannot use claims you filed as a basis to nonrenew your policy unless:

you file three or more claims in any 3-year period; and

your insurer notified you in writing after the second claim that filing a third claim could result in nonrenewal of your policy.

Your insurance company cannot use the following types of claims to determine the number of claims you have filed or to determine your premium if your policy is renewed:

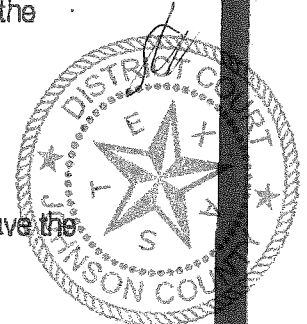
claims for damage from natural causes, including weather-related damage;

appliance-related water damage claims where the repairs have been inspected and certified; or

claims filed but not paid or payable under the policy.

NOTE: An insurance company can count appliance-related claims if three or more such claims are filed and paid within a 3-year period.

24. **USE OF CREDIT INFORMATION TO NONRENEW.** An insurance company cannot refuse to renew your policy solely on the basis of credit information. Insurers who use credit information must also consider other underwriting factors independent of credit information when deciding whether to renew coverage. (For additional information see the section of this Bill of Rights titled *What you should know about insurance companies' use of credit information.*)
25. **NOTICE OF CHANGE IN POLICY FORM.** Your insurer must notify you in writing of any difference between your current policy and each policy offered to you when the policy renews. In certain instances your insurance company must also provide a comparison between the policy offered and policies adopted by the Commissioner of Insurance.
26. **NOTICE OF NONRENEWAL.** If the insurance company does not mail you notice of nonrenewal at least 30 days before your policy expires, you have the right to require the insurance company to renew your policy.
27. **EXPLANATION OF CANCELLATION OR NONRENEWAL.** Upon request, you have the right to a written explanation of an insurance company's decision to cancel or



Consumer Bill of Rights For Homeowners & Renters Insurance (Cont.)

nonrenew your policy. The written statement must fully explain the decision, including the precise incidents, circumstances, or risk factors that disqualified you. It must also state the sources of information used.

What you should know when you file a claim

28. **FAIR TREATMENT.** You have the right to be treated fairly and honestly when you make a claim. If you believe an insurance company has treated you unfairly, call TDI at 1-800-252-3439 (512-463-6515 in Austin) or download a complaint form from the TDI website at www.tdi.texas.gov. You can complete a complaint form on-line via the Internet or fax a completed form to TDI at 512-475-1771.
29. **SETTLEMENT OFFER.** You have the right to reject any settlement amount, including any unfair valuation, offered by the insurance company. If you reject a settlement offer, your options include continuing to negotiate with the insurer or pursuing legal remedies, such as mediation, arbitration, or filing a lawsuit. You have the right to have your home repaired by the repair person of your choice.
30. **EXPLANATION OF CLAIM DENIAL.** Your insurance company must tell you in writing why your claim or part of your claim was denied.
31. **TIMEFRAMES FOR CLAIM PROCESSING AND PAYMENT.** When you file a claim on your own policy, you have the right to have your claim processed and paid promptly. If the insurance company fails to meet required claims processing and payment deadlines, you have the right to collect 18 percent annual interest and attorney's fees in addition to your claim amount.

Generally, within **15 calendar days**, your insurance company must acknowledge receipt of your claim and request any additional information reasonably related to your claim. Within **15 business days** (30 days if the company reasonably suspects arson) after receipt of all requested information, the company must approve or deny your claim in writing. The law allows the insurance company to extend this deadline up to **45 days** if it notifies you that more time is needed and tells you why.

After notifying you that your claim is approved, your insurance company must pay the claim **within five business days**.

If your claim results from a weather-related catastrophe or other major natural disaster as defined by TDI, these claims handling deadlines are extended for an additional 15 days.

32. **RELEASE OF CLAIM FUNDS.** Often an insurance company will make a claim check payable to you and your mortgage company or other lender and will send it to the lender. In that case, the lender must notify you within 10 days of receipt of the check and tell you what you must do to get the funds released to you.

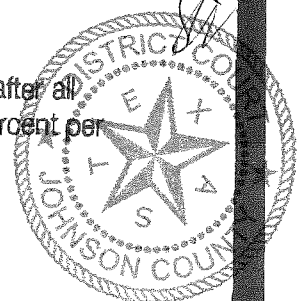
Once you request the funds from the lender, within 10 days the lender must:

release the money to you; or

tell you in specific detail what you must do to get the money released.

If the lender does not provide the notices mentioned above or pay the money to you after all requirements have been met, the lender must pay you interest on the money at 10 percent per year from the time the payment or the notices were due.

33. **NOTICE OF LIABILITY CLAIM SETTLEMENT.** Your insurance company must



Consumer Bill of Rights For Homeowners & Renters Insurance (Cont.)

notify you if it intends to pay a liability claim against your policy. The company must notify you in writing of an initial offer to compromise or settle a claim against you no later than the 10th day after the date the offer is made. The company must notify you in writing of any settlement of a claim against you no later than the 30th day after the date of the settlement.

34. **INFORMATION NOT REQUIRED FOR CLAIM PROCESSING.** You have the right to refuse to provide your insurance company with information that does not relate to your claim. In addition, you may refuse to provide your federal income tax records unless your insurer gets a court order or your claim involves lost income or a fire loss.

What you should know about prohibited discrimination

35. **PROTECTED CLASS.** An insurance company cannot discriminate against you by refusing to insure you; limiting the amount, extent or kind of coverage available to you; charging you a different rate for the same coverage; or refusing to renew your policy:

because of race, color, religion, gender, marital status, disability or partial disability, or national origin; or

unless justified by actual or anticipated loss experience, because of age or geographic location.

36. **AGE OF HOUSE.** An insurance company cannot refuse to insure your property based on the age of your house. However, an insurance company may refuse to sell you insurance coverage based on the condition of your property, including the condition of your plumbing, heating, air conditioning, wiring and roof.

37. **VALUE OF PROPERTY.** An insurance company cannot refuse to insure your property because the value is too low or because the company has established minimum coverage amounts.

38. **UNDERWRITING GUIDELINES.** Underwriting guidelines may not be unfairly discriminatory and must be based on sound actuarial principles.

39. **EQUAL TREATMENT.** Unless based on sound actuarial principles, an insurance company may not treat you differently from other individuals of the same class and essentially the same hazard. If you sustain economic damages as a result of such unfair discrimination, you have the right to sue that insurance company in Travis County District Court.

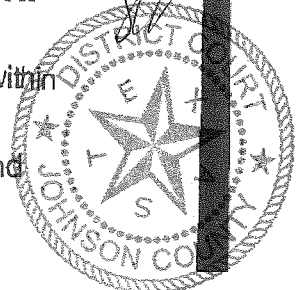
If your suit prevails, you may recover economic damages, court costs and attorney and necessary expert witness fees. If the court finds the insurance company knowingly violated your rights, it may award up to an additional \$25,000 per claimant.

You must bring the suit on or before the second anniversary of the date you were denied insurance or the unfair act occurred or the date you reasonably should have discovered the occurrence of the unfair act. If the court determines your suit was groundless and you brought the lawsuit in bad faith, or brought it for the purposes of harassment, you will be required to pay the insurance company's court costs and attorney fees.

What you should know about insurance companies' use of credit information

40. **REQUIRED DISCLOSURE.** If an insurance company uses credit information to make underwriting or rating decisions, the company must provide you a disclosure statement within 10 days after receiving your completed application for insurance.

The disclosure indicates whether the insurer will obtain and use your credit information and



Consumer Bill of Rights For Homeowners & Renters Insurance (Cont.)

lists your specific legal rights, including:

credit information insurance companies cannot use against you;

how you can get reasonable exceptions that your insurer is required to make to its use of credit information if certain life events, such as divorce, death of a close family member, or identity theft, hurt your credit;

the notice* an insurer must send you when making a credit-based decision that harms your ability to get or keep insurance or requires you to pay a higher premium; and

how you can dispute credit information and require an insurer to re-rate your policy if the rate was increased because of inaccurate or unverifiable credit information.

*The notice must include a description of up to four primary factors that influenced the action taken by the insurer.

Insurers must use the disclosure form (CD-1) adopted by the Commissioner or an equivalent disclosure form filed prior to use with TDI. The CD-1 is available at www.tdi.texas.gov/forms/pcpersonal/pc328crdtds.pdf or by calling 1-800-252-3439. Additional information regarding insurers' use of credit information is available at www.tdi.texas.gov/credit/credit.html.

What you should know about enforcing your rights

41. **FILING COMPLAINTS.** You have the right to complain to TDI about any insurance company and/or insurance matter and to receive a prompt investigation and response to your complaint. To do so, you should:

call TDI's **Consumer Help Line** at 1-800-252-3439, (512-463-6515 in Austin) for service in both English and Spanish;

write to the Texas Department of Insurance, Consumer Protection, Mail Code 111-1A, P.O. Box 149091, Austin, TX 78714-9091;

e-mail TDI at ConsumerProtection@tdi.state.tx.us;

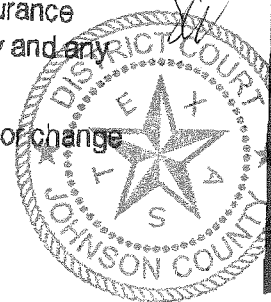
fax your complaint to 512-475-1771;

download or complete a complaint form online from the TDI website at www.tdi.texas.gov; or

call the TDI Publications/Complaint Form order line at 1-800-599-SHOP (7467), (512-305-7211 in Austin). The order line is available 24 hours a day, 7 days a week.

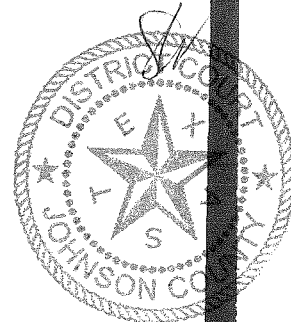
NOTE: TDI offers interpreter services and publications in alternate formats. Persons needing more information in alternate layouts or languages can call the *TDI Consumer Help Line* listed above.

42. **RIGHT TO SUE.** If an insurance company violates your rights, you may be able to sue that company in court, including small claims court, with or without an attorney.
43. **BURDEN OF PROOF.** If you sue to recover under your insurance policy, the insurance company has the burden of proof as to any application of an exclusion in the policy and any exception to or other avoidance of coverage claimed by the insurer.
44. **REQUESTING NEW RULES.** You have the right to ask in writing that TDI make or change rules on any residential property insurance issue that concerns you. Send your



**Consumer Bill of Rights For Homeowners & Renters Insurance
(Cont.)**

written request to: Texas Department of Insurance, Attn: Commissioner (113-2A), P.O. Box
149104, Austin, TX 78714-9104.





Horace Mann Lloyds

1 Horace Mann Plaza
Springfield, Illinois 62715-0001

A Stock Company

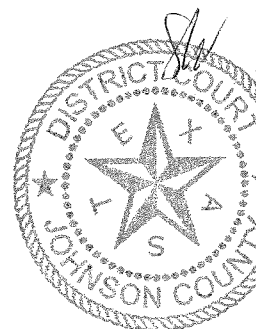
Texas homeowner policy

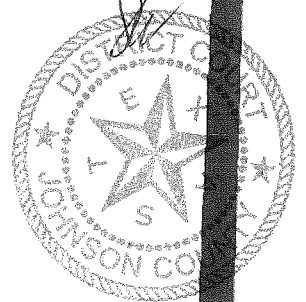
If this policy is a renewal policy, it replaces all policies, forms and endorsements previously issued by this company.

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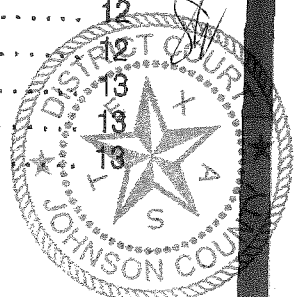




Texas homeowners policy — Form A
Effective July 8, 1992
(Revised January 1, 2002)
Prescribed by the State Board of Insurance

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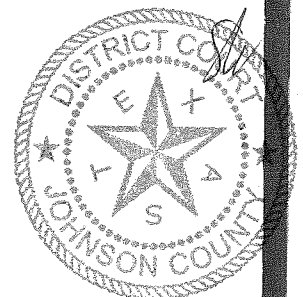
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Your duties after a loss

Section I:

1. Protect the property from further damage.
2. Give prompt written notice to the company.
3. Call the police if a law has been broken.
4. Make a list of all damaged personal property, including costs.

HO-A



5. If requested, obtain proof of loss form from your agent or the company and submit within 91 days of the request.

Section II:

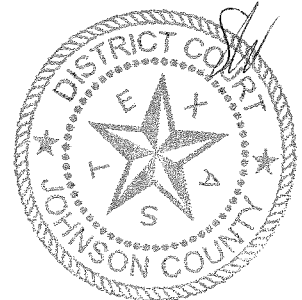
1. Do not make any voluntary payments except for first aid to others at the time of the accident.
2. Give written notice to agent or company, including details about the accident and any witnesses.
3. Send copies of legal notices you receive to the company.
4. Help the company get the necessary information to make settlement.

For a complete list of your duties see pages 11 and 20 of your policy.

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Agreement

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

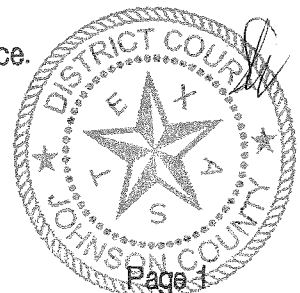
Definitions

In this policy, "you" and "your" refer to the "named Insured" shown on the declarations page and the spouse if a resident of the same household. "We", "us", and "our" refer to the company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **Bodily injury** means bodily harm, sickness or disease. This includes required care, loss of services and death that results.
2. **Business** includes trade, profession or occupation.
3. **Business day**, when used in this policy, means a day other than a Saturday, Sunday or holiday recognized by the state of Texas.
4. **Insured** means you and residents of your household who are:
 - a. your relatives; or
 - b. other persons under the age of 21 and in the care of any person named above.

Under Section II Liability, **insured** also means:

- c. any person or organization legally responsible for animals or watercraft to which this policy applies. You or a person included in 4.a. or 4.b. above must own the animal or watercraft. A person or organization using or having custody of these animals or watercraft without consent of the owner is not an **insured**.
- d. with respect to any vehicle to which this policy applies:
 - (1) any employee of an **insured** while engaged in the employment of the **insured**; or
 - (2) any other person using the vehicle on an **insured location** with your consent.
5. **Insured location** means:
 - a. the **residence premises**.
 - b. the part of other premises, other structures and grounds you use as a residence and:
 - (1) which is shown on the declarations page; or
 - (2) which you acquire during the policy period for your use as a residence.
 - c. any premises you use in connection with a premises in 5.a. or 5.b. above.
 - d. any part of a premises:



- (1) not owned by an **insured**; and
- (2) where an **insured** is temporarily residing.
- e. vacant land, other than farm land, owned by or rented to an **insured**.
- f. land owned by or rented to an **insured** on which a one- or two-family dwelling is being built as a residence for an **insured**.
- g. individual or family cemetery plots or burial vaults of an **insured**.
- h. any part of a premises occasionally rented to an **insured** for other than **business** use.
- 6. **Occurrence** means an accident, including exposure to conditions, which results in **bodily injury** or **property damage** during the policy period.
- 7. **Property damage** means injury to, destruction of, or loss of use of property.
- 8. **Residence employee** means an employee of an **insured** who performs duties related to the ownership, maintenance or use of the **residence premises**, including maintenance or use of a motor vehicle. This includes employees who perform similar duties elsewhere for an **insured**. This does not include employees while performing duties related to the **business** of an **insured**.
- 9. **Residence premises** means the **residence premises** shown on the declarations page. This includes the one or two family dwelling, including other structures, and grounds where an **insured** resides or intends to reside within 60 days after the effective date of this policy.

Section I Property coverage

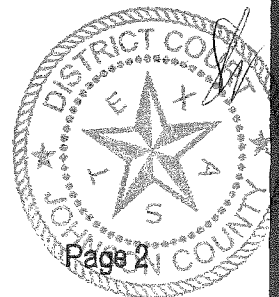
Coverage A (Dwelling)

We cover:

- 1. the dwelling on the **residence premises** shown on the declarations page including structures attached to the dwelling;
- 2. other structures on the **residence premises** set apart from the dwelling by clear space. This includes structures connected to the dwelling by only a fence, utility line or similar connection. The total limit of liability for other structures is the limit of liability shown on the declaration page or 10% of Coverage A (Dwelling) limit of liability, whichever is greater. This is additional insurance and does not reduce the Coverage A (Dwelling) limit of liability.

We do not cover other structures:

- a. used for business purposes; or
- b. wholly rented to any person, unless used solely as a private garage.



3. wall-to-wall carpeting attached to a building on the **residence premises**.

Coverage B (Personal Property)

We cover:

1. a. personal property owned, worn or used by an **insured** while on the **residence premises**. This includes window or wall air conditioning units.
- b. at your request, property of others while the property is on the part of the **residence premises** occupied by an **insured**.
2. a. personal property owned, worn or used by an **insured** anywhere in the world.
- b. at your request, personal property of a **residence employee** when:
 - (1) the property is away from the residence premises of the **residence employee** and in the control of the **residence employee**; and
 - (2) while the **residence employee** is performing work for you.

Our total limit of liability under 2.a. and 2.b. above is 10% of the Coverage B (Personal Property) limit of liability or \$1,000, whichever is greater. This is additional insurance and does not reduce the Coverage B (Personal Property) limit of liability.

Special limits of liability. These limits do not increase the Coverage B (Personal Property) limit of liability. The special limit for each numbered category below is the total limit for each loss for all property in that category.

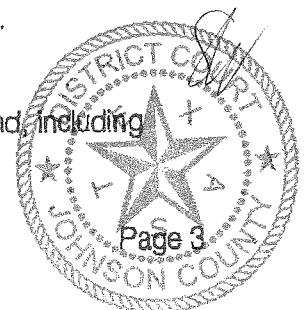
1. Money/bank cards. \$100 on money or numismatic property or loss by theft or unauthorized use of bank fund transfer cards registered to an **insured**.
2. Bullion/valuable papers. \$500 on gold or silver bullion, manuscripts, notes, securities, stamps, philatelic property, accounts, bills, deeds, evidences of debt, letters of credit, passports, documents, transportation or other tickets.
3. Jewelry/watches/furs. \$500 for loss by theft of gems, watches, jewelry or furs.
4. Business personal property. \$2,500 on **business** property.

We do not cover any **business** property:

- a. that consists of samples or articles for sale or delivery; or
- b. if the property is away from the **residence premises**.

Property not covered. We do not cover:

1. articles separately described and specifically insured by this or other insurance.
2. animals or birds.
3. motor or engine-propelled vehicles or machines designed for movement on land, including attached machinery or equipment.



However, we do cover such vehicles which are not subject to motor vehicle registration and are:

- a. devices and equipment for assisting the handicapped.
 - b. power mowers.
 - c. golf carts.
 - d. vehicles or machines used for recreational purposes while located on the **residence premises**.
 - e. farm equipment not designed for use principally on public roads.
4. trailers, semi-trailers or mobile homes.

However, we do cover:

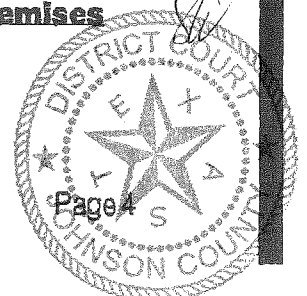
- a. trailers and semi-trailers that are designed for use principally off public roads.
 - b. boat trailers while on the **residence premises**.
5. aircraft, meaning any device used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
6. watercraft, including outboard motors and furnishings or equipment.

We do cover watercraft, including outboard motors and furnishings or equipment, while located on land on the **residence premises**.

7. property of roomers or tenants.
8. property usually rented to others off the **residence premises**.

Extensions of coverage.

1. **Debris Removal.** We will pay your expense for the removal from the **residence premises** of:
 - a. debris of covered property if a peril insured against causes the loss.
 - b. a tree that has damaged covered property if a peril insured against causes the tree to fall.This does not increase the limit of liability that applies to the damaged property.
2. **Loss of Use.** If a loss caused by a peril insured against under Section I makes the **residence premises** wholly or partially untenable, we cover:
 - a. additional living expense, meaning any necessary and reasonable increase in living expense you incur so that your household can maintain its normal standard of living.
 - b. fair rental value, meaning the fair rental value of that part of the **residence premises** usually rented to others by you, less any expenses that do not continue.



The total limit of liability for all Loss of Use is 10% of Coverage A (Dwelling) limit of liability. This is additional insurance and does not reduce the Coverage A (Dwelling) limit of liability. The deductible clause does not apply to Loss of Use coverage.

Payment will be for the reasonable time required to repair or replace the damaged property. If you permanently relocate, payment will be for the reasonable time required for your household to become settled.

The periods of time for Loss of Use are not limited by expiration of this policy.

3. **Reasonable Repairs.** If a peril insured against causes the loss, we will pay the reasonable cost you incur for necessary repairs made solely to protect covered property from further damage. This coverage does not increase the limit of liability that applies to the property being repaired.
4. **Trees, Shrubs, Plants and Lawns.** We cover trees, shrubs, plants and lawns, on the **residence premises**, only for loss caused by the following perils insured against: Fire or Lightning, Explosion, Aircraft, Vehicles not owned or operated by a resident of the **residence premises**, Vandalism and Malicious Mischief, Riot and Civil Commotion and Theft or attempted theft.

The limit of liability for this coverage is 5% of the Coverage A (Dwelling) limit of liability. We will not pay more than \$250 for any one tree, shrub or plant, including the cost of removal. We do not cover property grown for **business** purposes.

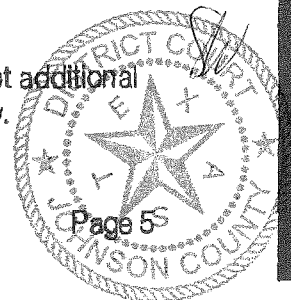
This is not additional insurance and does not increase the Coverage A (Dwelling) limit of liability. The deductible clause does not apply to Trees, Shrubs, Plants and Lawns.

5. **Property Removed.** We pay for expense and damage incurred in the removal of covered property from an **insured location** endangered by a peril insured against. This coverage exists on a pro rata basis for 30 days at each location to which such property is removed for preservation. This is not additional insurance and does not increase the Coverage B (Personal Property) limit of liability.

6. **Consequential Loss.** We insure:

- a. property contained in a building on the **residence premises** against loss due to change in temperature as a direct result of physical damage to the dwelling, or any equipment contained in the dwelling, caused by a peril insured against. The deductible clause does not apply to this coverage.
- b. property contained in a building on the **residence premises** against loss due to change in temperature as a direct result of physical damage to any power, heating or cooling equipment (including connections and supply pipes) not contained in or on the dwelling, caused by a peril insured against.

The total limit of liability for the coverage described in 6.b. above is \$500. This is not additional insurance and does not increase the Coverage B (Personal Property) limit of liability.



7. **Automatic Removal.** If you move from the **residence premises** shown on the declarations page to another location with in the United States, to be occupied as your principal residence, we cover:
- the personal property under Coverage B (Personal Property) at each location in the proportion that the value at each location bears to the total value of all the personal property covered under Coverage B (Personal Property).
 - property in transit up to 10% of the Coverage B (Personal Property) limit of liability or \$1,000, whichever is greater.

We provide coverage for only 30 days from the date the removal begins.

Section I Perils Insured against

Coverage A (Dwelling) and Coverage B (Personal Property)

We insure against physical loss to the property described in Coverage A (Dwelling) and Coverage B (Personal Property) caused by a peril listed below, unless the loss is excluded in Section I Exclusions.

1. **Fire and Lightning.**
2. **Sudden and Accidental Damage from Smoke.**

This peril does not cover loss caused by smog or by smoke from industrial or agricultural operations.

3. **Windstorm, Hurricane and Hail.**

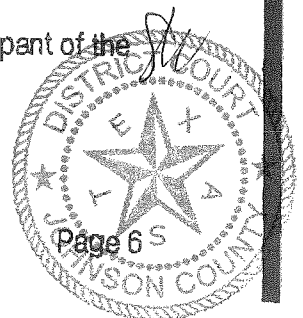
This peril does not cover:

- a. loss to the following:
 - (1) cloth awnings, greenhouses and their contents, buildings or structures located wholly or partially over water and their contents.
 - (2) radio and television towers, outside satellite dishes, masts and antennas, including lead-in wiring, wind chargers and windmills.
- b. loss caused by rain, snow, sand or dust, whether or not driven by wind, unless the direct force of wind or hail makes an opening in the roof or wall and the rain, snow, sand or dust enters through this opening and causes the damage.

4. **Explosion.**
5. **Aircraft and Vehicles.**

This peril does not cover loss caused by any vehicle owned or operated by an occupant of the **residence premises**.

6. **Vandalism and Malicious Mischief.**



7. **Riot and Civil Commotion.**

8. **Theft**, including attempted theft and loss of property from a known place when it is likely that the property has been stolen.

The peril does not cover:

- a. personal property while away from the **residence premises** at any other residence owned by, rented to or occupied by an **insured**, except while an **insured** is temporarily living there.
- b. personal property while away from the **residence premises** and unattended in or on any motor vehicle or trailer, other than a public conveyance, unless all its doors, windows and other openings are closed and locked and there are visible marks of forcible entry.

Property is not unattended when the **insured** has entrusted the keys of the vehicle to a custodian.

- c. building materials and supplies not on the **residence premises**.

Section I Exclusions

1. We do not cover property described under Coverage A (Dwelling) or Coverage B (Personal Property) for loss caused by any of the following. These exclusions do not apply to an ensuing loss caused by Fire, Smoke or Explosion.

- a. We do not cover loss to electrical devices or wiring caused by electricity other than Lightning.
- b. We do not cover loss caused by or resulting from flood, surface water, waves, tidal water of tidal waves, overflow of streams or other bodies of water or spray from any of these whether or not driven by wind.

We do cover an ensuing loss by Theft or attempted theft or any act or attempted act of stealing.

2. **Governmental action.**

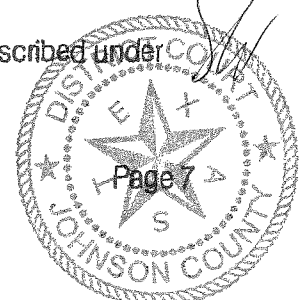
We do not cover loss caused by the destruction of property by order of governmental authority.

But we do cover loss caused by acts of destruction ordered by governmental authority taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

3. **Building laws.**

We do not cover loss caused by or resulting from the enforcement of any ordinance or law regulating the construction, repair or demolition of a building or structure.

"Building Laws" exclusion is modified to provide coverage only to the extent described under Perils Insured Against.



(a) Coverage Provided.

You may use up to \$5,000 (at no additional premium) for the increased costs that you incur due to the enforcement of any ordinance or law, which requires or regulates:

- (1) the construction, demolition or repair of that part of a covered building or other structure damaged by a Peril Insured Against.
- (2) the demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) the remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in (a.) above.

This is additional insurance and does not reduce Coverage A (Dwelling) the limit of liability.

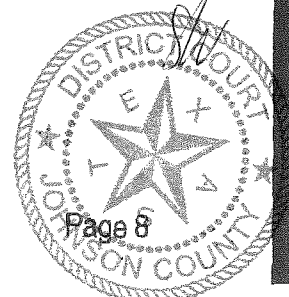
(b) Building Ordinance or Law Coverage Limitations.

We will not pay for the increased cost of construction:

- (1) if the building or structure is not rebuilt or repaired;
- (2) if the rebuilt or repaired building or structure is not intended for the same type occupancy as the current building or structure;
- (3) until the building or structure is actually repaired or rebuilt at the same premises; or
- (4) unless the rebuilding or repairs are made as soon as reasonably possible after the loss or damage, not to exceed 365 days after loss unless you have requested in writing that this time limit be extended for an additional 180 days.

(c) We do not cover:

- (1) the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or
- (2) the costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of, pollutants on any covered building or other structure.



Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- (d) If the insured property is located in an area which is eligible for coverage through the Texas Windstorm Insurance Association, the coverage described above, also applies to the increased cost you incur due to the repair, replacement or demolition required for the dwelling to comply with the building specifications contained in the Texas Windstorm Insurance Association's plan of operation.

All other Terms of the policy apply.

4. **War damage.**

We do not cover loss resulting directly or indirectly from war. This includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by military personnel, destruction or seizure or use for military purpose, and any consequence of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

5. **Nuclear damage.**

We do not cover loss resulting directly or indirectly from nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused. We cover direct loss by fire resulting from nuclear reaction, radiation or radioactive contamination.

6. **Mold, Fungi or Other Microbes.**

We do not cover loss caused by or resulting from mold, fungi or other microbes.

This exclusion does not apply to an ensuing loss caused by fire, smoke, or explosion.

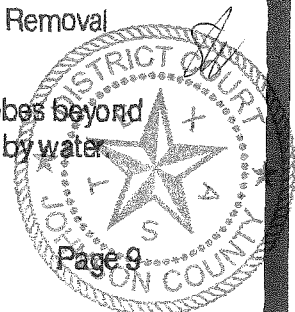
However, we do cover ensuing mold, fungi or other microbial losses caused by or resulting from sudden and accidental discharge, leakage or overflow of water if the sudden and accidental discharge, leakage or overflow of water loss would otherwise be covered under this policy.

Sudden and accidental shall include a physical loss that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the date you detect or should have detected the loss.

For purposes of this exclusion, ensuing mold, fungi or other microbial losses covered under this policy include reasonable and necessary repair or replacement of property covered under Coverage A (Dwelling) and/or Coverage B (Personal Property).

We do not cover the cost for remediation, including testing of ensuing mold, fungi or other microbes. We do not cover any increase in expenses for Loss of Use and/or Debris Removal due to remediation and testing of ensuing mold, fungi or other microbes.

Remediate means to treat, contain, remove or dispose of mold, fungi or other microbes beyond that which is required to repair or replace the covered property physically damaged by water.



Remediation includes any testing to detect, measure or evaluate mold, fungi or other microbes and any decontamination of the **residence premises** or property.

Section I Deductibles

Deductible clause 1 — Windstorm, Hurricane and Hail. The amount shown on the declarations page for Deductible clause 1 will be deducted from the combined amount of each loss under Coverage A (Dwelling) and Coverage B (Personal Property) that results from Windstorm, Hurricane or Hail.

Deductible clause 2 — All other perils. The amount shown on the declarations page for Deductible clause 2 will be deducted from the combined amount of each loss under Coverage A (Dwelling) and Coverage B (Personal Property), unless the loss results from Windstorm, Hurricane or Hail.

If a single event causes loss by Windstorm, Hurricane or Hail and loss by Lightning, only the larger deductible will apply.

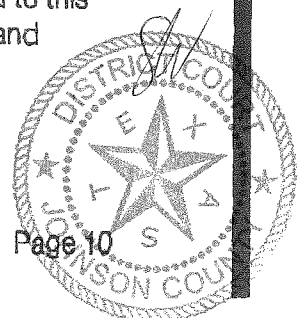
Section I Conditions

1. **Insurable interest and limit of liability.** Even if more than one person has an insurable interest in the property covered, we will not be liable in any one loss:
 - a. to the **insured** for more than the amount of the **insured's** interest at the time of loss; or
 - b. for more than the applicable limit of liability.

Each time there is a loss to any building insured under Coverage A (Dwelling), the amount of insurance applicable to that building for loss by Fire will be reduced by the amount of the loss. As repairs are made, the amount of insurance will be reinstated up to the limit of liability shown on the declarations page.

Article 6.13 — Policy a liquidated demand. A fire insurance policy, in case of a total loss by Fire of property insured, shall be held and considered to be a liquidated demand against the company for the full amount of such policy. The provisions of this article shall not apply to personal property.

2. **Residential community property clause.** This policy, subject to all other terms and conditions, when covering residential community property, as defined by state law, shall remain in full force and effect as to the interest of each spouse covered, irrespective of divorce or change of ownership between the spouses unless excluded by endorsement attached to this policy until the expiration of the policy or until cancelled in accordance with the terms and conditions of this policy.



3. **Duties after loss.**

- a. **Your duties after loss.** In case of a loss to covered property caused by a peril insured against, you must:
- (1) give prompt written notice to us of the facts relating to the claim.
 - (2) notify the police in case of loss by Theft.
 - (3)
 - (a) protect the property from further damage.
 - b) make reasonable and necessary repairs to protect the property.
 - (c) keep an accurate record of repair expenses.
 - (4) furnish a complete inventory of damaged personal property showing the quantity, description and amount of loss. Attach all bills, receipts and related documents which you have that justify the figures in the inventory.
 - (5) as often as we reasonably require:
 - (a) provide us access to the damaged property.
 - (b) provide us with pertinent records and documents we request and permit us to make copies.
 - (c) submit to examination under oath and sign and swear to it.
 - (6) send to us, if we request, your signed sworn proof of loss within 91 days of our request on a standard form supplied by us. We must request a signed sworn proof of loss within 15 days after we receive your written notice, or we waive our right to require a proof of loss. Such waiver will not waive our other rights under this policy.
 - (a) This proof of loss shall state, to the best of your knowledge and belief:
 - (i) the time and cause of loss.
 - (ii) the interest of the **insured** and all others in the property involved including all liens on the property.
 - (iii) other Insurance which may cover the loss.
 - (iv) the actual cash value of each item of property and the amount of loss to each item.

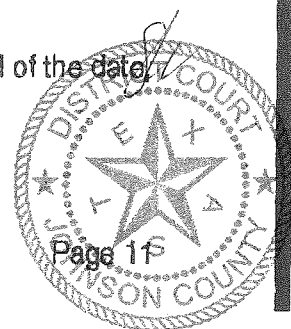
b. **Our duties after loss.**

- (1) Within 15 days after we receive your written notice of claim, we must:

- (a) acknowledge receipt of the claim.

If our acknowledgment of the claim is not in writing, we will keep a record of the date, method and content of our acknowledgment.

- (b) begin any investigation of the claim.



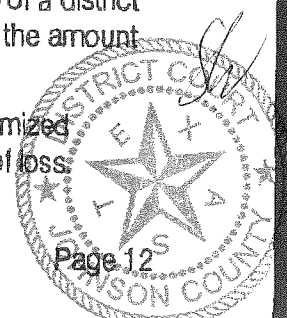
- (c) specify the information you must provide in accordance with "Your duties after loss" (item 3.a. above).

We may request more information, if during the investigation of the claim such additional information is necessary.

- (2) After we receive the information we request, we must notify you in writing whether the claim will be paid or has been denied or whether more information is needed:
 - (a) within 15 business days; or
 - (b) within 30 days if we have reason to believe the loss resulted from arson.
- (3) If we do not approve payment of your claim or require more time for processing your claim, we must:
 - (a) give the reasons for denying your claim, or
 - (b) give the reasons we require more time to process your claim. But, we must either approve or deny your claim within 45 days after requesting more time.

- 4. **Loss settlement.** Our limit of liability and payment for covered losses under Section I Property coverage will not exceed the smallest of the following:
 - a. the actual cash value at the time of loss determined with proper deduction for depreciation;
 - b. the cost to repair or replace the damaged property with material of like kind and quality, with proper deduction for depreciation; or
 - c. the specified limit of liability of the policy.
- 5. **Loss to a pair or set.** In case of loss to an item which is part of a pair or set, the measure of loss shall be a reasonable and fair proportion of the total value of the pair or set. The importance of the item will be considered in assessing the loss. Such loss will not be considered a total loss of the pair or set.
- 6. **Salvage rights.** If we notify you that we will pay your claim or part of your claim, the notice must also state whether we will or will not take all or any part of the damaged property. We must bear the expense of our salvage rights.
- 7. **Appraisal.** If you and we fail to agree on the actual cash value, amount of loss or the cost of repair, either can make a written demand for appraisal. Each will then select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a district court of a judicial district where the loss occurred. The two appraisers will then set the amount of loss, stating separately the actual cash value and loss to each item.

If the appraisers fail to agree, they will submit their differences to the umpire. An itemized decision agreed to by any two of these three and filed with us will set the amount of loss.



Such award shall be binding on you and us.

Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally.

8. **Loss payment.**

- a. If we notify you that we will pay your claim, or part of your claim, we must pay within 5 business days after we notify you.
- b. If payment of your claim or part of your claim requires the performance of an act by you, we must pay within 5 business days after the date you perform the act.

9. **Catastrophe claims.**

If a claim results from a weather related catastrophe or a major natural disaster, each claim handling deadline shown under the Duties after loss and Loss payment provisions is extended for an additional 15 days.

Catastrophe or major natural disaster means a weather related event which:

- a. is declared a disaster under the Texas Disaster Act of 1975; or
- b. is determined to be a catastrophe by the State Board of Insurance.

10. **Other insurance — Section I.** Other insurance is permitted on property covered by this policy, but other insurance covering the dwelling is not permitted. If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

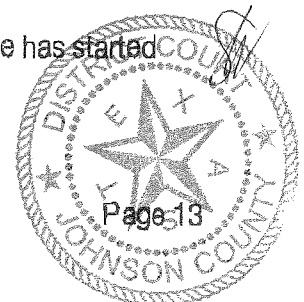
11. **Suit against us.** No suit or action can be brought unless the policy provisions have been complied with. Action brought against us must be started within two years and one day after the cause of action accrues.

12. **Abandonment of property.** There can be no abandonment of property to us.

13. **Vacancy.** If the **insured** moves from the dwelling and a substantial part of the personal property is removed from that dwelling, the dwelling will be considered vacant. Coverage that applies under Coverage A (Dwelling) will be suspended effective 60 days after the dwelling becomes vacant. The coverage will remain suspended during such vacancy.

14. **Mortgage clause (without contribution).**

- a. The word "mortgagee" includes trustee.
- b. We will pay for any covered loss of or damage to buildings or structures to the mortgagee shown on the declarations page as interests appear.
- c. The mortgagee has the right to receive loss payment even if the mortgagee has started foreclosure or similar action on the building or structure.



d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgagee has the right to receive loss payment if the mortgagee:

- (1) at our request, pays any premiums due under this policy, if you have failed to do so.
- (2) submits a signed, sworn statement of loss within 91 days after receiving notice from us of your failure to do so.
- (3) has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgagee.

All of the terms of this policy will then apply directly to the mortgagee. Failure of the mortgagee to comply with d.(1), d.(2) or d.(3) above shall void this policy as to the interest of the mortgagee.

e. If we pay the mortgagee for any loss or damage and deny payment to you because of your acts or because you fail to comply with the terms of this policy:

- (1) the mortgagee's rights under the mortgage will be transferred to us to the extent of the amount we pay.
- (2) the mortgagee's right to recover the full amount of the mortgagee's claim will not be impaired.

At our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If this policy is cancelled, we will give the mortgagee specifically named on the declarations page written notice of cancellation.

If we cancel the policy, we will give the mortgagee the same number of days notice of cancellation we give to you.

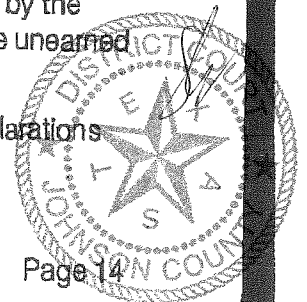
If you cancel the policy, we will give the mortgagee notice of cancellation to be effective on the date stated in the notice. The date of cancellation cannot be before the 10th day after the date we mail the notice.

We will not give notice of cancellation to any successor or assignee of the mortgagee named in this policy.

g. If the property described under Coverage A (Dwelling) is foreclosed upon under the deed of trust, the mortgagee may cancel this policy of insurance and will be entitled to any unearned premiums from this policy.

The mortgagee must credit any unearned premium against any deficiency owed by the borrower and return any unearned premium not so credited to the borrower. The unearned premium will be figured using the customary pro rata procedures.

h. If we elect not to renew this policy, the mortgagee specifically named on the declarations page will be given 30 days written notice of the nonrenewal.



15. **No benefit to bailee.** We will not recognize any assignment or grant any coverage for the benefit of a person or organization holding, storing or moving property for a fee.

Section II Liability coverage

Coverage C (Personal Liability)

If a claim is made or a suit is brought against an **insured** for damages because of **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies, we will:

1. pay up to our limit of liability for the damages (including prejudgment interest awarded against the **insured**) for which the **insured** is legally liable; and
2. provide a defense at our expense by counsel of our choice even if the suit is groundless, false or fraudulent. We may investigate and settle any claim or suit that we decide is appropriate.

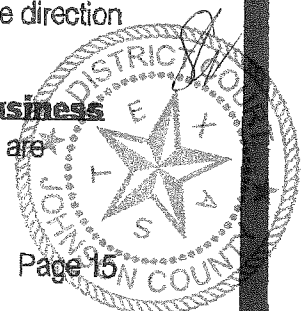
Coverage D (Medical Payments to Others)

We will pay the necessary medical expenses incurred or medically determined within three years from the date of an accident causing **bodily injury**. Medical expenses means reasonable charges for medical, surgical, X-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household. This coverage does apply to **residence employees**. As to others, this coverage applies only:

1. to a person on the **insured location** with the permission of an **insured**.
2. to a person off the **insured location**, if the **bodily injury**:
 - a. arises out of a condition on the **insured location** or the ways immediately adjoining.
 - b. is caused by the activities of an **insured**.
 - c. is caused by a **residence employee** in the course of the **residence employee's** employment by an **insured**.
 - d. is caused by an animal owned by or in the care of an **insured**.

Section II Exclusions

1. **Coverage C (Personal Liability) and Coverage D (Medical Payments to Others)** do not apply to:
 - a. **bodily injury** or **property damage** which is caused intentionally by or at the direction of an **insured**;
 - b. **bodily injury** or **property damage** arising out of or in connection with a **business** engaged in by an **insured**. But this exclusion does not apply to activities which are ordinarily incidental to non-business pursuits.



c. **bodily injury** or **property damage** arising out of the rental or holding for rental of any part of any premises by an **insured**. This exclusion does not apply to the rental or holding for rental of an **insured location**:

- (1) on an occasional basis if used only as a residence.
- (2) in part use only as a residence, unless a single family unit is intended for use by the occupying family to lodge more than two roomers or boarders.
- (3) in part, as an office, school or studio.
- (4) if the rental is for not more than three car spaces or stalls in garages or stables.

d. **bodily injury** or **property damage** arising out of the rendering of or failure to render professional services.

e. **bodily injury** or **property damage** arising out of a premises:

- (1) owned by an **insured**;
- (2) rented to an **insured**; or
- (3) rented to others by an **insured**;

that is not an **insured location**.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

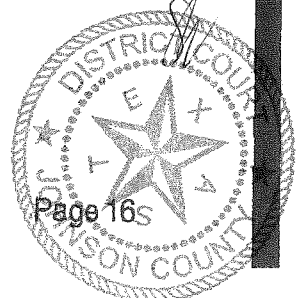
f. **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of:

- (1) motor or engine-propelled vehicles or machines designed for movement on land, including attached machinery or equipment;
- (2) trailers, semi-trailers or mobile homes;

which are owned or operated by or rented or loaned to an **insured**.

However, this exclusion does not apply to:

- (1) motor vehicles which are not subject to motor vehicles registration and are:
 - (a) used for assisting the handicapped.
 - (b) used to service an **insured location**.
 - (c) golf carts while on the **residence premises** or used for golfing purposes.
 - (d) designed and used for recreational purposes, and are:
 - (i) not owned by an **insured**; or
 - (ii) owned by an **insured** while on the **residence premises**.
 - (e) in dead storage on the **residence premises**.



(f) used exclusively on the **residence premises**.

(2) trailers or semi-trailers while not being towed by or carried on a motor vehicle.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

g. **bodily injury** or **property damage** arising out of ownership, maintenance, operation, use, loading or unloading of watercraft:

(1) with inboard or inboard-outdrive motor power of more than 50 horsepower owned by or rented to an **insured**.

(2) powered by one or more outboard motors with more than 25 total horsepower if the outboard motor is owned by an **insured**. But, outboard motors of more than 25 total horsepower are covered for the policy period if:

(a) you acquire them prior to the policy period and:

(i) you declare them at policy inception; or

(ii) your intention to insure is reported to us in writing within 45 days after you acquire the outboard motors.

(b) you acquire them during the policy period.

(3) that is a sailing vessel, with or without auxiliary power, which is 26 feet or more in length owned by or rented to an **insured**.

This exclusion does not apply while the watercraft is on the **residence premises**.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

h. **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of aircraft:

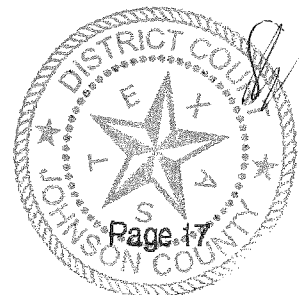
Aircraft means any device used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

i. **bodily injury** or **property damage** arising out of:

(1) the entrustment by an **insured** to any person; or

(2) the negligent supervision by an **insured** of any person;



with regard to the ownership, maintenance or use of any motor vehicle, watercraft or aircraft which is excluded in paragraph f., g. or h. above.

This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **insured**.

- j. **bodily injury** or **property damage** caused directly or indirectly by war. This includes undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for military purpose, and any consequence of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
- k. **bodily injury** or **property damage** arising out of the transmission of sickness or disease by an **insured** through sexual contact.
- l. **bodily injury** to any person eligible to receive any benefits voluntarily provided or required to be provided by an **insured** under any worker's compensation law or occupational disease law.

2. **Coverage C (Personal Liability)** does not apply to:

- a. liability under any contract or agreement.

However, this exclusion does not apply to written contracts:

- (1) that directly relate to the ownership, maintenance or use of an **insured location**; or
- (2) where the liability of others is assumed by an **insured**; unless excluded elsewhere in this policy.

- b. **property damage** to property owned by an **insured**.
- c. **property damage** to property rented to, occupied or used by or in the care of an **insured**.

This exclusion does not apply to **property damage** caused by fire, smoke or explosion.

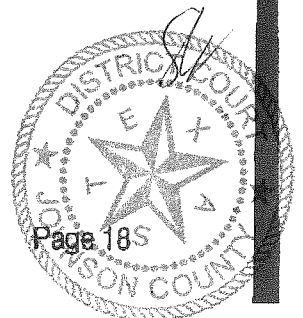
- d. **bodily injury** or **property damage** for which an **insured** under this policy is also an insured under a nuclear energy liability policy or would be an insured under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by American Nuclear Insurers, Mutual Atomic Energy Liability Underwriters, or Nuclear Insurance Association of Canada.

- e. **bodily injury** to you or an **insured** within the meaning of part a. or part b. of **insured** as defined.

3. **Coverage D (Medical Payment to Others)** does not apply to:

- a. **bodily injury** to a **residence employee** if the **bodily injury**:
 - (1) occurs off the **insured location**; and



- (2) does not arise out of or in the course of the residence employee's employment by an insured.
- b. bodily injury to any person, other than a residence employee of an insured, regularly residing on any part of the insured location.

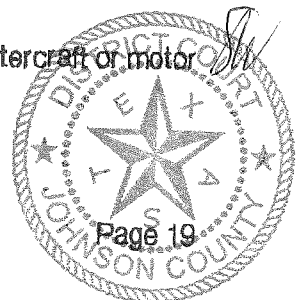
Section II Additional coverages

We cover the following in addition to the limits of liability.

1. **Claim Expenses.** We pay:
 - a. expenses we incur and costs taxed against an insured in any suit we defend.
 - b. premiums on bonds required in a suit we defend but not for bond amounts more than the limit of liability for Coverage C (Personal Liability). We need not apply for or furnish any bond.
 - c. reasonable expenses incurred by an insured at our request, including actual loss of earnings (but not loss of other income) up to \$50 per day, for assisting us in the investigation or defense of a claim or suit.
 - d. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.
2. **Imperative Medical Expenses to Others.** We pay expenses incurred by an insured for immediate medical and surgical relief to others, if imperative at the time of the accident.
3. **Damage to Property of Others.** We pay replacement cost up to \$500 per occurrence for property damage to property of others caused by an insured.

We do not pay for property damage:

- a. caused intentionally by an insured who is 13 years of age or older.
- b. to property owned by an insured.
- c. to property owned by or rented to a tenant of an insured or a resident in your household.
- d. arising out of:
 - (1) a business engaged in by an insured.
 - (2) any act or omission in connection with the premises owned, rented or controlled by an insured, other than the insured location.
 - (3) the ownership, maintenance, use, loading or unloading of aircraft, watercraft or motor vehicles or all other motorized land conveyances.



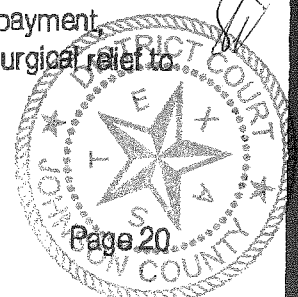
This exclusion does not apply to any motorized land conveyance designed for recreational use off public roads, not subject to motor vehicles registration and not owned by an **insured**.

Section II Conditions

1. **Limit of liability.** The limit of liability for Coverage C (Personal Liability) shown on the declarations page is our total liability under Coverage C (Personal Liability) for all damages resulting from any one **occurrence**. This limit is the same regardless of the number of **insureds**, claims made or persons injured.

The limit of liability for Coverage D (Medical Payments to Others) shown on the declarations page is our total liability under Coverage D (Medical Payments to Others) for all medical expenses payable for **bodily injury** to one person as the result of one accident. The total limit of our liability for all expenses payable to two or more persons injured in one accident is \$25,000.

2. **Severability of insurance.** This insurance applies separately to each **insured**. This condition will not increase our limit of liability for any one **occurrence**.
3. **Duties after loss.** In case of an accident or **occurrence**, the **insured** will perform the following duties that apply or will help us by seeing that these duties are performed:
 - a. Give written notice to us or our agent as soon as is practical, which sets forth:
 - (1) the identity of the policy and **insured**.
 - (2) reasonable available information on the time, place and circumstances of the accident or **occurrence**.
 - (3) names and addresses of any claimants and witnesses.
 - b. Promptly forward to us every notice, demand, summons or other process relating to the accident or **occurrence**.
 - c. At our request, help us:
 - (1) to make settlement.
 - (2) to enforce any right of contribution or indemnity against any person organization who may be liable to an **insured**.
 - (3) with the conduct of suit, including attending hearings and trials.
 - (4) to secure evidence and obtain the attendance of witnesses.
 - d. The **insured** will not, except at the **insured's** own cost, voluntarily make payment, assume obligation or incur expenses other than for immediate medical and surgical relief to others at the time of the **bodily injury**.



4. **Duties of an injured person — Coverage D (Medical Payments to Others).**

The injured person or someone acting for the injured person will:

- a. give us written proof of claim, under oath if required, as soon as is practical.
- b. authorize us to obtain copies of medical reports and records.

The injured person will submit to a physical exam by a doctor of our choice when and as often as we reasonably require.

5. **Payment of claim — Coverage D (Medical Payments to Others).** Payment under this coverage is not an admission of liability by an **insured** or us.

6. **Suit against us.** No action can be brought against us unless there has been compliance with the policy provisions.

No one will have the right to join us as a party to any action against an **insured**. Also, no action with respect to Coverage C (Personal Liability) can be brought against us until the obligation of the **insured** has been determined by final judgment or agreement.

Under Coverage D (Medical Payments to Others), no action can be brought until 30 days after the required proofs of claim have been filed with us.

7. **Bankruptcy of the insured.** Bankruptcy or insolvency of the **insured** or of the **insured's** estate will not relieve us of our obligations under this policy.

8. **Other insurance — Section II.** If the **insured** has other insurance under Coverage C (Personal Liability), we will not be liable for a greater proportion of a loss than the limit of liability shown on the declarations page bears to the total limit of all valid and collectible insurance against such loss.

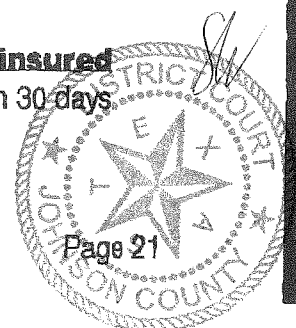
However, with respect to loss arising out of the ownership, maintenance, operation, use, loading or unloading of:

- a. any motor vehicle or recreational vehicle at the **residence premises**; or
- b. watercraft,

this policy will not apply to the extent that any valid and collectible insurance is available to the **insured**.

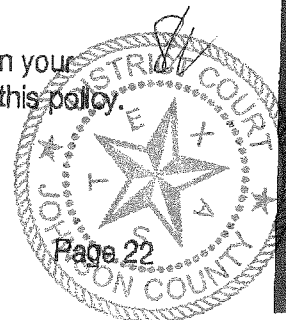
9. **Notice of settlement of liability claim.**

- a. We will notify the **insured** in writing of any initial offer to compromise or settle a claim against the **insured** under the liability section of this policy. We will give the **insured** notice within 10 days after the date the offer is made.
- b. We will notify the **insured** in writing of any settlement of a claim against the **insured** under the liability section of this policy. We will give the **insured** notice within 30 days after the date of the settlement.



Section I and II Conditions

1. **Policy period.** This policy applies only to loss in Section I or **bodily injury** or **property damage** in Section II which occurs during the policy period stated on the declarations page.
2. **Concealment or fraud.** This policy is void as to you and any other **insured**, if you or any other **insured** under this policy has intentionally concealed or misrepresented any material fact or circumstance, made false statements or committed fraud relating to this insurance, whether before or after a loss.
3. **Liberalization clause.** If the State Board of Insurance adopts a revision which would broaden or extend the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened or extended coverage will immediately apply to this policy.
4. **Waiver or change of policy provisions.** Changes in this policy may be made and perils added only by attaching a written endorsement properly executed by our authorized agent. No provision of this policy may be waived unless the terms of this policy allow the provision to be waived. Our request for an appraisal or examination will not waive any of our rights.
5. **Cancellation.**
 - a. You may cancel this policy at any time by notifying us of the date cancellation is to take effect. We will send you any refund due when the policy is returned to us.
 - b. We may cancel this policy for the reasons stated in this condition by mailing you notice in writing of the date cancellation takes effect.
 - (1) If this policy has been in effect for less than 90 days and is not a renewal policy, we may cancel this policy for any reason. The effective date of cancellation cannot be before:
 - (a) the 10th day after we mail notice if we cancel for nonpayment of premium.
 - (b) the 30th day after we mail notice if we cancel for any other reason.
 - (2) If this policy has been in effect 90 days or more, we may not cancel this policy unless:
 - (a) you do not pay the premium or any portion of the premium when due.
 - (b) the State Board of Insurance determines that continuation of the policy would violate the Texas Insurance Code or any other laws governing the business of insurance in this state.
 - (c) you submit a fraudulent claim.
 - (d) there is an increase in the hazard covered by this policy that is within your control and that would produce an increase in the premium/rate of this policy.



The effective date of cancellation cannot be before the 10th day after we mail the notice. Our notice of cancellation will state the reason for cancellation.

- c. If we cancel, our notice to you will state that if the refund is not included with the notice, it will be returned on demand.
- d. We may not cancel this policy solely because you are an elected official.

6. **Refusal to renew.**

- a. We may not refuse to renew this policy because of claims for losses resulting from natural causes.
- b. We may not refuse to renew this policy solely because you are an elected official.
- c. We may refuse to renew this policy if you have filed three or more claims under the policy in any three year period that do not result from natural causes.

If you have filed two claims in a period of less than three years, we must notify you in writing, that if you file a third claim during the three year period, we may refuse to renew this policy by providing you proper notice of our refusal to renew as provided in d. below. If we do not notify you after the second claim, we may not refuse to renew this policy because of losses.

A claim does not include a claim that is filed but is not paid or payable under the policy.

- d. If we refuse to renew this policy, we must deliver to you, or mail to you at your mailing address shown on the declarations page and any mortgagee named on the declarations page, written notice of our refusal to renew not later than the 30th day before the date on which this policy expires. Proof of mailing will be sufficient proof of notice. If we fail to give you proper notice of our decision not to renew, you may require us to renew the policy.

7. **Assignment.** Assignment of this policy will not be valid unless we give our written consent.

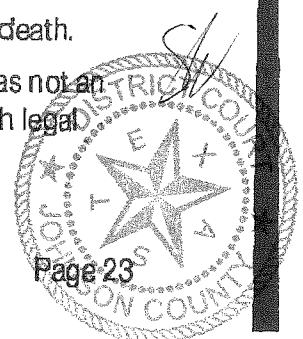
8. **Subrogation.** An **insured** may waive in writing before a loss, all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an **insured** must sign and deliver all related papers and cooperate with us.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. **Death.** If the named insured dies, we insure:

- a. the named insured's spouse, if a resident of the same household at the time of death.
- b. the legal representative of the deceased. However, if this legal representative was not an **insured** at the time of death of the named insured, this policy will apply to such legal representative only with respect to the premises of the original named insured.

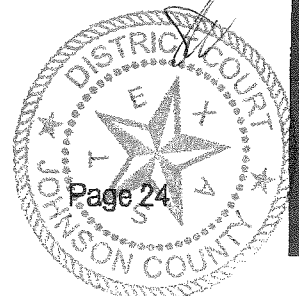


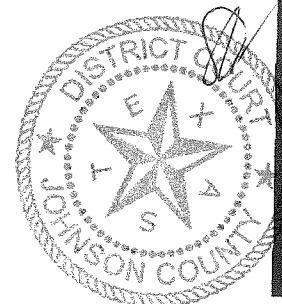
- c. any person who is an **insured** at the time of such death, while a resident of said premises.

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HO-A







In witness whereof, we have caused this policy to be signed by our Secretary and our President at Springfield, Illinois, and this policy shall not be binding unless countersigned by an authorized agent of ours.

Signed for the Company at Springfield, Illinois.

Ann M. Caparros

Ann M. Caparros
Corporate Secretary

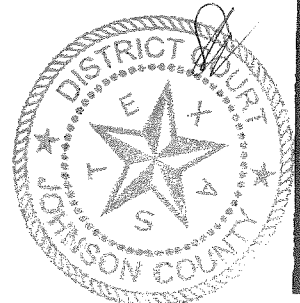
Peter H. Heckman

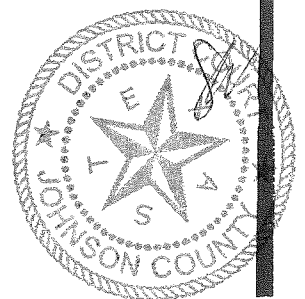
Peter H. Heckman
President

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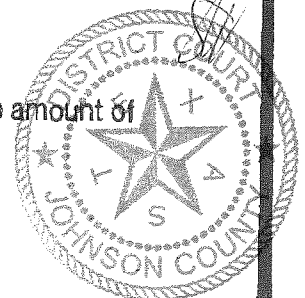


LOSS SETTLEMENT AMENDATORY ENDORSEMENT
(For use with Form HO-A)
CC-H06TX1

SECTION I — CONDITIONS

In the **Duties after Loss** Condition, item a. **Your Duties After Loss** is replaced by the following:

- a. **Your Duties After Loss.** In case of a loss to covered property caused by a peril insured against, you must:
- (1) give prompt written notice to us of the facts relating to the claim.
 - (2) notify the police in case of loss by theft.
 - (3)
 - (a) protect the property from further damage.
 - (b) make reasonable and necessary repairs to protect the property.
 - (c) keep an accurate record of repair expenses.
 - (4) furnish a complete inventory of damaged personal property showing the quantity, description and amount of loss. Attach all bills, receipts and related documents which you have that justify the figures in the inventory.
 - (5) as often as we reasonably require:
 - (a) provide us access to the damaged property.
 - (b) provide us with pertinent records and documents we request and permit us to make copies.
 - (c) submit to examination under oath and sign and swear to it.
 - (6) send to us if we request, your signed sworn proof of loss with 91 days of our request on a standard form supplied by us. We must request a signed sworn proof of loss within 15 days after we receive your written notice, or we waive our right to require a proof of loss. Such waiver will not waive our other rights under this policy.
 - (a) This proof of loss shall state, to the best of your knowledge and belief:
 - (i) the time and cause of loss.
 - (ii) the interest of the insured and all others in the property involved including all liens on the property.
 - (iii) other insurance which may cover the loss.
 - (iv) the actual cash value of each item of property and the amount of loss to each item.



LOSS SETTLEMENT AMENDATORY ENDORSEMENT (Cont.)

- (b) If you elect to make claim under the Replacement Cost Coverage of this policy, this proof of loss shall also state, to the best of your knowledge and belief:
- (i) the replacement cost of the described dwelling.
 - (ii) the replacement cost of any other building on which loss is claimed.
 - (iii) the full cost of repair or replacement of loss without deduction for depreciation.

The **Loss Settlement** Condition is replaced by the following:

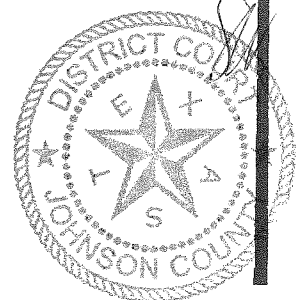
4. **Loss Settlement.** Covered property losses are settled as follows:
- a. Our limit of liability and payment for covered losses to personal property, wall to wall carpeting, cloth awnings and fences will not exceed the smallest of the following:
 - (1) the actual cash value at the time of loss determined with proper deduction for depreciation.
 - (2) the cost to repair or replace the damaged property with material of like kind and quality, with proper deduction for depreciation; or
 - (3) the specified limit of liability of the policy.
 - b. Our limit of liability for covered losses to dwelling and other structure(s) under Coverage A (Dwelling), except wall to wall carpeting, cloth awnings and fences will be at replacement cost settlement subject to the following:
 - (1) If, at the time of loss, the Coverage A (Dwelling) limit of liability is 80% or more of the full replacement cost of the dwelling, we will pay the repair or replacement cost of the damaged building structure(s), without deduction for depreciation.
 - (2) If, at the time of loss, the Coverage A (Dwelling) limit of liability is less than 80% of the full replacement cost of the dwelling, we will pay only a proportionate share of the full replacement cost of the damaged building structure(s). Our share is equal to:

Replacement Cost of the Loss

X

Coverage A (Dwelling) Limit of Liability

80% of Replacement Cost of the Dwelling





LOSS SETTLEMENT AMENDATORY ENDORSEMENT (Cont.)

- (3) If, at the time of loss, the actual cash value of the damaged building structure(s) is greater than the replacement cost determined under (1) or (2) above, we will pay the actual cash value up to the applicable limit of liability.

In determining the amount of insurance required to equal 80% of the full replacement cost of the dwelling, do not include the value of excavations, underground pipes, and foundations which are below the surface of the ground.

Our payment will not exceed the smallest of the following:

- (1) the limit of liability under this policy applicable to the damaged or destroyed building structure(s);
- (2) the reasonable and necessary cost to repair or replace that part of the building structure(s) damaged, with material of like kind and quality and for the same use and occupancy on the same premises; or
- (3) the amount actually and necessarily spent to repair or replace the damaged building structure(s).

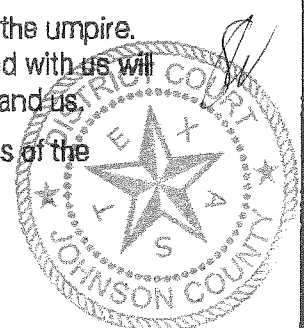
The **Appraisal** Condition is replaced by the following:

7. **Appraisal.** If you and we fail to agree on the actual cash value, amount of loss, or cost of repair or replacement, either can make a written demand for appraisal. Each will then select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a district court of a judicial district where the loss occurred. The two appraisers will then set the amount of loss, stating separately the actual cash value and loss to each item. If you or we request that they do so, the appraisers will also set:
- a. the full replacement cost of the dwelling.
 - b. the full replacement cost of any other building upon which loss is claimed.
 - c. the full cost of repair or replacement of loss to such building, without deduction for depreciation.

If the appraisers fail to agree, they will submit their differences to the umpire. An itemized decision agreed to by any two of these three and filed with us will set the amount of the loss. Such award shall be binding on you and us.

Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally.

All other policy provisions apply.



**Identity Fraud Advocacy Services
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AAIS**

This endorsement changes **your** homeowner policy. **Please read it carefully.**

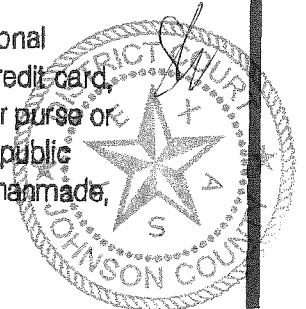
Agreement

We will provide the **insured** with access to an **advocate** who will provide **Identity Fraud Advocacy Services** described in this endorsement. Services are subject to the **terms** of this endorsement and the **terms** of the homeowner policy to which it is attached, except as amended by this endorsement.

Definitions

With respect to **Identity Fraud Advocacy Services**, the following definitions are added:

1. **Account takeover** means the takeover by a third party of one or more existing deposit accounts, credit card accounts, debit card accounts, ATM cards, or lines of credit in the name of the **insured**. **Account takeover** includes the unauthorized takeover of one or more of an **insured's** deposit accounts, credit card accounts, debit card accounts, ATM cards or lines of credit by another **insured**.
2. **Advocate** means a third party, retained by **us**, who is trained in the resolution of **identity fraud**.
3. **Identity fraud** means:
 - a. **account takeover**;
 - b. **proactive inquiry**; or
 - c. **true identity theft**.
4. **Identity Fraud Advocacy Services** means an **advocate** guiding an **insured** through interactions with creditors, credit bureaus, banks and other entities to resolve the **identity fraud**. This includes but is not limited to contacting credit reporting agencies, credit grantors, collection agencies, merchants, law enforcement agencies, governmental agencies and other data repositories. Such contacts will take place with the permission and cooperation of the **insured**.
5. **Proactive inquiry** means an inquiry arising from the loss or theft of nonpublic personal information of an **insured** by circumstances such as but not limited to the loss of a credit card, debit card, ATM card, checkbook, driver's license or passport, or the loss of a wallet or purse or briefcase containing any of the foregoing. This includes the loss of an **insured's** nonpublic personal information due to a natural disaster or any other act or omission, natural or manmade, that the **insured** may feel places his or her identity at risk.





Identity Fraud Advocacy Services (Cont.)

6. **True identity theft** means the creation of one or more new accounts, or a new identity in public records (such as a driver's license) or elsewhere, by a third party in the name and without the knowledge of the **insured** to commit fraud or other crimes and/or to disguise the third party's true identity.

Property Coverages

Incidental property coverages

The following services are added:

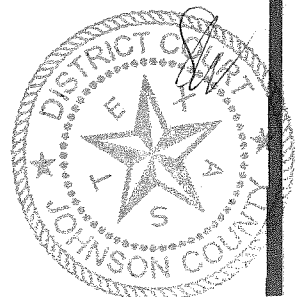
Identity Fraud Advocacy Services

1. **We** will provide **Identity Fraud Advocacy Services** to the **insured** provided:
 - a. the **insured** believes that he/she has experienced or may be at risk of experiencing **identity fraud**;
 - b. the **identity fraud** is reported to **us** within 60 days after it is first discovered by the **insured**; and
 - c. the **identity fraud** is first discovered by the **insured** during the policy period for which **Identity Fraud Advocacy Services** is applicable.
2. With respect to **Identity Fraud Advocacy Services**, discovery takes place when an **insured** first becomes aware of information that would cause a reasonable person to presume that **identity fraud** has occurred, although the precise amount or details of the **identity fraud** may not, at that time, be known.
3. **Identity Fraud Advocacy Services** are provided without regard to whether the person or persons committing the **identity fraud** are identified.
4. The policy deductible does not apply to the services provided by this endorsement.
5. These services do not inure to the benefit of any person or entity other than the **insured**.

Who is an insured?

For the purpose of **Identity Fraud Advocacy Services**, **insured** means:

1. **you**;
2. **your** relatives if residents of **your** household; and
3. persons under the age of 23 in **your** care or in the care of **your** resident relatives.



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Identity Fraud Advocacy Services (Cont.)

Exclusions

1. **Identity Fraud Advocacy Services** will not be provided:
 - a. If the **Insured** seeking **Identity Fraud Advocacy Services** withholds any material fact, circumstance or situation that may subsequently give rise to the filing of a claim under this policy.
 - b. for any **identity fraud** that is committed alone or in collusion with another by:
 - 1) the **Insured** seeking **Identity Fraud Advocacy Services**; or
 - 2) a person authorized by the **Insured** seeking **Identity Fraud Advocacy Services** to act on his or her behalf.
 - c. for any **identity fraud** suffered by a **business** of any **Insured**.
 - d. if the **Insured** is unwilling to file a police report regarding the particular **identity fraud** incident with the appropriate law enforcement authorities.
 - e. if the **Insured** is unwilling to assist in the prosecution of the perpetrator of the **Identity fraud**.
2. There is no coverage under this endorsement for any expense incurred by an **Insured** as a result of an occurrence of **identity fraud**.
3. **Identity Fraud Advocacy Services** do not include:
 - a. The recapture of **Insured's** expenses or losses resulting from **identity fraud**,
 - b. Psychological counseling for the **Insured**,
 - c. Legal advice or other legal services.

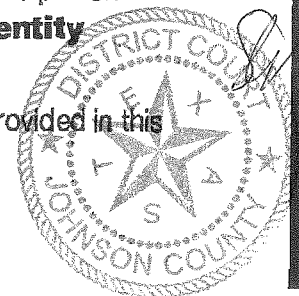
Conditions Services

The following conditions apply with respect to any services provided by **us** or **our** designees to **you** or any **Insured** under **Identity Fraud Advocacy Services**:

1. **Our** ability to provide **Identity Fraud Advocacy Services** depends on **your** cooperation, permission and assistance.
2. **We** do not warrant that **our** services will end or solve all problems associated with or prevent future **identity fraud**. No action may be brought against **us** for the failure of **Identity Fraud Advocacy Services** to end or resolve the **identity fraud**.

This endorsement does not alter, vary or extend any provision of this policy except as provided in this endorsement.

HM-686 (3-07)





Replacement of personal property
Endorsement No. HO-101, Effective October 2, 1993
Prescribed by the State Board of Insurance

Section I — Property coverage

For an included additional premium, our limit of liability and payment for covered loss to:

1. personal property; and
2. wall-to-wall carpeting and cloth awnings (Forms HO-B & HO-C only);

is extended to include replacement cost. Replacement cost means there will not be a deduction for depreciation. Payment will not exceed the smallest of the following:

- a. the Coverage B (Personal Property) limit of liability;
- b. the replacement cost at the time of loss;
- c. for property that is repairable, the cost of repair with material of like kind and quality with no deduction for depreciation; or,
- d. the interest of the **insured**.

We do not pay replacement cost for:

- a. property which cannot be replaced.
- b. property not maintained in good or workable condition.
- c. property that is either obsolete or useless to the **insured** at the time of loss.
- d. watercraft including outboard motors for any replacement cost in excess of \$2,500.

We will pay replacement cost of watercraft including outboard motors up to a limit of \$2,500.

- e. **Property that is not repaired or replaced.**

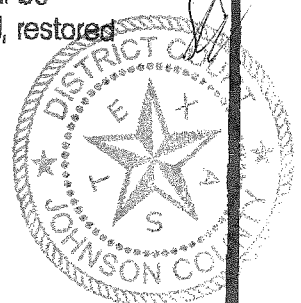
Loss settlement:

- a. We will pay you:
 1. the replacement cost of your damaged property up to \$1,500; and
 2. the actual cash value of your remaining damaged property

within 5 business days after we notify you that we will pay the claim.

If you repair or replace the damaged property, you may make claim for reimbursement on a replacement cost basis for the replacement cost of your property exceeding \$1,500. You must repair, restore or replace the property within 365 days after the loss. Reimbursement will be made within 5 business days after we receive proof that the property has been repaired, restored or replaced.

- b. In lieu of (a.) above, we may offer and you may accept or reject our offer to provide a replacement item of like kind and quality for your damaged property.



Personal computer coverage
Endorsement No. HO-126, Effective July 8, 1992
Prescribed by the State Board of Insurance

For an included additional premium, we cover your personal computer equipment. Our limit of liability is shown on the declarations page for this endorsement.

Property covered. If owned by or leased to you, we cover:

1. **Hardware**, meaning electronic data processing equipment.
2. **Software**, meaning electronic data processing media and programs that you have bought, including instructions.

This coverage applies to any legal use of the covered property.

Property not covered. We do not cover hardware or software:

1. that is rented to others.
2. that is held for rental.

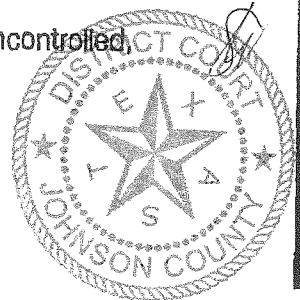
Coverage B Personal Property. The 10% or \$1,000 off-premises limit does not apply to coverage under this endorsement.

Deductible. \$100 deductible applies to each loss under this coverage. No other policy deductible applies to this coverage.

Perils insured against. We insure against risks of direct physical loss to hardware and software, unless excluded in this endorsement.

Exclusions. We do not cover loss caused by:

1. mechanical breakdown, faulty construction, error in hardware or software design.
2. wear and tear, deterioration or any quality in property that causes it to damage or destroy itself.
3. rust, rot, mold or other fungi.
4. rats, mice, termites, moths or other insects.
5. war. This includes:
 - a) undeclared war or civil war.
 - b) insurrection, rebellion or revolution.
 - c) warlike act by military personnel.
 - d) destruction or seizure or use for a military purpose.
 - e) any consequence of acts shown in a. through d. above. Discharge of a nuclear weapon will be deemed a warlike act, even if accidental.
6. nuclear reaction, radiation or radioactive contamination. All whether controlled or uncontrolled.





Personal computer coverage (Cont.)

or however caused. We do cover loss by fire resulting from nuclear reaction, radiation, or radioactive contamination.

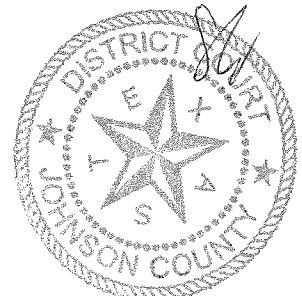
7. We do not cover loss of use, or indirect loss of any kind.

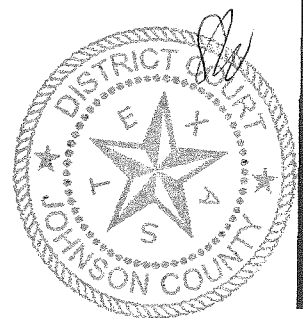
Other insurance. The following is added:

If a loss is covered under this endorsement and the policy to which this endorsement is attached, the policy will pay only when the limit of this endorsement has been exhausted.

All other terms of this policy apply.

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Residence Glass coverage

Endorsement No. HO-105, Effective July 8, 1992

Prescribed by the State Board of Insurance

The terms and conditions of this endorsement apply only to the property described in this endorsement. None of the terms, conditions and limits of liability stated in the policy apply to this endorsement except the Waiver or change of policy provisions, Cancellation, Assignment, Subrogation and Definitions.

This insurance applies to:(check the box(es) that applies)

☒ [X] unscheduled glass;

☐ [] scheduled glass described in the schedule below;

while in or on the dwelling or other structures on the **residence premises**.

1. **Residence Glass coverage.** We will pay for damages to residence glass caused by breakage of or by chemicals applied to such glass if:

a. described in the schedule below.

b. permanently attached to the dwelling or other structures on the **residence premises**, including storm windows and doors not permanently attached.

We will also pay for making temporary repairs, resulting damage to encasing frames, and removing or replacing obstructions because of a covered loss to glass.

2. **Exclusions.** We will not pay for loss or damage caused by:

a. fire.

b. war. This includes undeclared war, civil war, insurrection, rebellion or revolution or any consequence of these.

c. nuclear reaction, nuclear radiation or radioactive contamination or any consequence of these.

3. **Loss settlement.**

a. Unscheduled residence glass. We will not pay more than:

(1) \$100 for all damage in any one occurrence for each of the following objects:

(a) multiple plate insulating unit;

(b) radiant heating panels;

(c) conservatory or greenhouse glass;

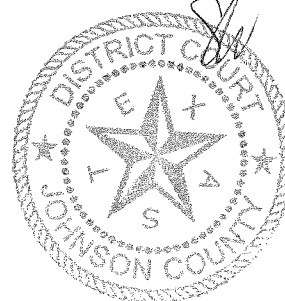
(d) chandeliers or light fixtures;

(e) jalousies, louvers or shutters;

(f) venetian type doors or windows;

(g) stained or leaded glass; or

(h) glass bricks, shingles or other structural glass.



Residence Glass Coverage (Cont.)

- (2) \$100 for any one pane or plate of glass comprising any other object not listed in 3.a. (1) above.
- b. Scheduled residence glass. We will not pay more than the smallest of the following:
- (1) actual cash value of the property at the time of the loss;
 - (2) the cost to repair the damaged property with like kind and quality or replace the glass with safety glazing material when required by ordinance or law; or
 - (3) the limit of liability stated in the schedule below.
- c. Pair or set. If loss to an article which is part of a pair or set occurs, we will measure the loss at a reasonable and fair proportion of the total value of the pair or set giving consideration to the importance of the article.
- We will not pay a total loss to the pair or set when the loss is to an article that is part of a pair or set.
- d. We may pay for the loss in money or may repair or replace the property. Any property we pay for or replace will become our property.

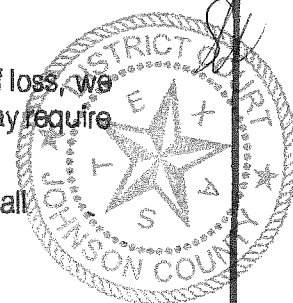
Scheduled residence glass

Number of plates	Length in inches	Width in inches	Description of Glass, Lettering and Ornamentation; Position in building.	Specific Limit (if any)	Premium
			The glass in plain flat glass with all edges set in frames, unless otherwise stated herein.		

Total Scheduled Glass Premium \$

4. Your duties after loss. In case of loss to covered property, you must:

- a. give prompt written notice to us.
- b. file a proof of loss at our request, on forms that we provide. If we request a proof of loss, we must request it not later than the 15th day after we receive your written notice. We may require this filing of proof of loss to be under oath.

5. Action against us. There can be no action against us unless you have complied with all

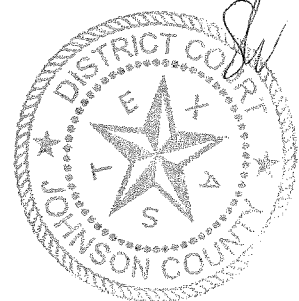


Residence Glass Coverage (Cont.)

the terms of this policy.

6. **Other insurance.** If a loss covered under this endorsement is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this endorsement bears to the total amount of valid and collectible insurance covering the loss.

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Homeowners amendatory endorsement for increased cost of construction — building laws

**Endorsement No. HO-134 Effective April 1, 2001
Prescribed by the State Board of Insurance**

Applicable to Homeowner Policies HO-A, HO-B, and HO-C only:

Section I Exclusion. Exclusion 3. "Building Laws" exclusion is modified to provide coverage only to the extent described under Perils Insured Against.

(a) Coverage Provided.

You may use up to \$5,000 (at no additional premium) for the increased costs that you incur due to the enforcement of any ordinance or law, which requires or regulates:

- (1) the construction, demolition or repair of that part of a covered building or other structure damaged by a Peril Insured Against;
- (2) the demolition and reconstruction of the undamaged part of a covered building or other structure, when that building or other structure must be totally demolished because of damage by a Peril Insured Against to another part of that covered building or other structure; or
- (3) the remodeling, removal or replacement of the portion of the undamaged part of a covered building or other structure necessary to complete the remodeling, repair or replacement of that part of the covered building or other structure damaged by a Peril Insured Against.

You may use all or part of this coverage to pay for the increased costs you incur to remove debris resulting from the construction, repair or replacement of property as stated in (a). above.

This is additional Insurance and does not reduce Coverage A (Dwelling) the limit of liability.

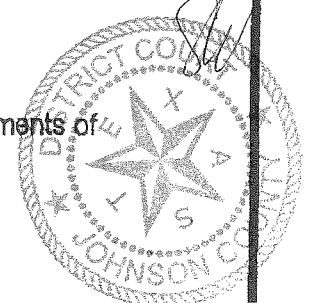
(b) Building Ordinance or Law Coverage Limitations.

We will not pay for the increased cost of construction:

- (1) if the building or structure is not rebuilt or repaired;
- (2) if the rebuilt or repaired building or structure is not intended for the same type occupancy as the current building or structure;
- (3) until the building or structure is actually repaired or rebuilt at the same premises; or
- (4) unless the rebuilding or repairs are made as soon as reasonably possible after the loss or damage, not to exceed 365 days after loss unless you have requested in writing that this time limit be extended for an additional 180 days.

(c) We do not cover:

- (1) the loss in value to any covered building or other structure due to the requirements of any ordinance or law; or



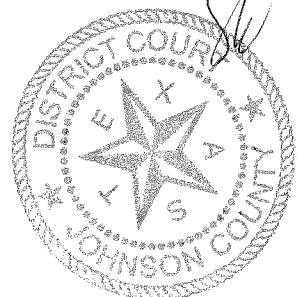
Homeowners amendatory endorsement for increased cost of construction — building laws (Cont.)

- (2) the costs to comply with any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of, pollutants on any covered building or other structure.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

- (d) If the insured property is located in an area which is eligible for coverage through the Texas Windstorm Insurance Association, the coverage described above, also applies to the increased cost you incur due to the repair, replacement or demolition required for the dwelling to comply with the building specifications contained in the Texas Windstorm Insurance Association's plan of operation.

All other Terms of the policy apply.





Homeowners amendatory mandatory endorsement

(Applicable to Form HO-A only)

Endorsement No. HO-161A, Effective January 1, 2002

Prescribed by the Texas Department of Insurance

Section I Exclusions, Exclusion 6. is added to read as follows:

6. **Mold, fungi or other microbes.** We do not cover loss caused by or resulting from mold, fungi or other microbes.

This exclusion does not apply to an ensuing loss caused by fire, smoke, or explosion.

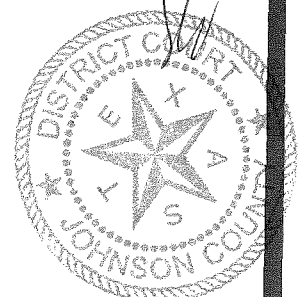
However, we do cover ensuing mold, fungi or other microbial losses caused by or resulting from sudden and accidental discharge, leakage or overflow of water if the sudden and accidental discharge, leakage or overflow of water loss would otherwise be covered under this policy.

Sudden and accidental shall include a physical loss that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the date you detect or should have detected the loss.

For purposes of this exclusion, ensuing mold, fungi or other microbial losses covered under this policy include reasonable and necessary repair or replacement of property covered under Coverage A (Dwelling) and/or Coverage B (Personal Property).

We do not cover the cost for remediation, including testing of ensuing mold, fungi or other microbes. We do not cover any increase in expenses for Loss of Use and/or Debris Removal due to remediation and testing of ensuing mold, fungi or other microbes.

Remediation means to treat, contain, remove or dispose of mold, fungi or other microbes beyond that which is required to repair or replace the covered property physically damaged by water. Remediation includes any testing to detect, measure or evaluate mold, fungi or other microbes and any decontamination of the **residence premises** or property.



Homeowners amendatory endorsement
Endorsement No. HO-195 Effective March 1, 1993
Prescribed by the State Board of Insurance

This endorsement must be attached to a Homeowners policy insuring an owner or tenant.

I. Texas Homeowners Policy Form A

- A. Item 3 under **Definitions** is replaced by the following:
3. "**Business day**" when used in this policy, means a day other than a Saturday, Sunday or holiday recognized by the State of Texas.
- B. Sentence One, Paragraph Two under item 2 of **Extensions of coverage** is replaced by the following:
- The total limit of liability for all loss of use is 10% of the Coverage A (Dwelling) limit of liability.
- C. Item 3.a.(6)(b) under **Duties after loss** is deleted in its entirety.

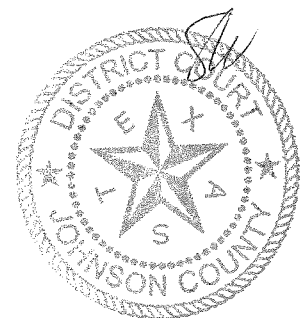
II. Texas Homeowners Policy Form B

- A. Items 1.f.(1) and 1.f.(5) under **Section I Exclusions** are replaced by the following:
- (1) wear and tear, deterioration or loss caused by any quality in property that causes it to damage or destroy itself.
- (5) rats, mice, termites, moths or other insects.
- B. The example under item 4.b.(2) under **Section I Conditions** is replaced by the following:

Replacement Cost of the Loss
X
Coverage A (Dwelling) Limit of Liability
80% of Replacement Cost of the Dwelling

III. Texas Homeowners Policy Form C

- A. Item 4.a. under Coverage B (Personal Property) is replaced by the following:
- a. the property is away from the residence premises of the residence employee and in the control of the residence employee; and
- B. Items 1.i.(1) and 1.i.(5) under **Section I Exclusions** are replaced by the following:
- (1) wear and tear, deterioration, or loss caused by any quality in property that causes it to damage or destroy itself.
- (5) rats, mice, termites, moths or other insects.





Homeowners amendatory endorsement (Cont.)

- C. The example under item 4.b.(2) under **Section I Conditions** is replaced by the following:

Replacement Cost of the Loss
X
Coverage A (Dwelling) Limit of Liability
80% of Replacement Cost of the Dwelling

IV. Texas Homeowners Tenant Policy Form B

- A. Paragraph 2 under item 2 of **Extensions of coverage** is replaced by the following:

The total limit of liability for all loss of use is 20% of the Coverage B (Personal Property) limit of liability. This is additional insurance and does not reduce the Coverage B (Personal Property) limit of liability. The deductible clause does not apply to loss of use coverage.

- B. Item 3.a.(6)(b) under **Duties after loss** is deleted in its entirety.

V. Texas Homeowners Tenant Policy Form C

- A. Item 3.a.(6)(b) under **Duties after loss** is deleted in its entirety.

VI. Texas Homeowners Condominium Policy Form B

- A. Item 3.a.(6)(b) under **Duties after loss** is deleted in its entirety.

VII. Texas Homeowners Condominium Policy Form C

- A. Item 7 under **Extensions of coverage** is renumbered as follows:

6. Automatic removal

- B. Item 6.b. under **Extensions of coverage** is replaced by the following:

b. property in transit up to the Coverage B (Personal Property) limit of liability.

- C. Item 1. under **Section I Exclusions** is replaced by the following:

1. The following exclusions apply to loss to property described under Coverage B (Personal Property), but they do not apply to an ensuing loss caused by fire, smoke or explosion.

- D. Items 1.i.(1) and 1.i.(5) under **Section I Exclusions** are replaced by the following:

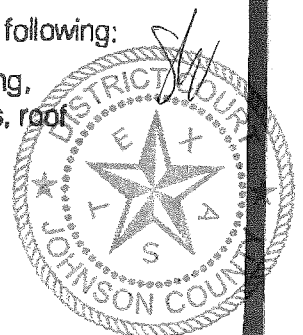
(1) wear and tear, deterioration or loss caused by any quality in property that causes it to damage or destroy itself.

(5) rats, mice, termites, moths or other insects.

- E. The first paragraph under item 1.k., **Section I Exclusions** is replaced by the following:

k. We do not cover loss under Coverage B (Personal Property) caused by settling, cracking, bulging, shrinkage, or expansion of foundation walls, floors, ceilings, roof structures, walks, drives, curbs, fences, retaining walls or swimming pools.

- F. Item 3.a.(6)(b) under **Duties after loss** is deleted in its entirety.



**Homeowners amendatory endorsement — Mandatory
Endorsement No. HO-340, Effective October 1, 1993
Prescribed by the State Board of Insurance**

This endorsement must be attached to all homeowners policies.

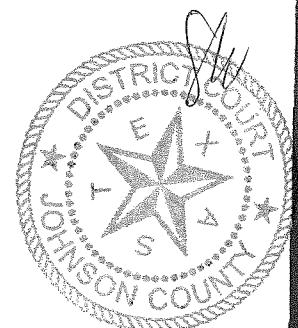
I. **Definitions:** Item 4.d. is deleted and replaced by the following:

4.d. With respect to any vehicle to which this policy applies:

- (1) any employee of an **insured** while engaged in the employment of the **insured**;
or
- (2) any other person using the vehicle on an **insured location** with your consent.

II. **Section I — Conditions:** Item No. 6., **Our option**, is deleted and replaced by the following:

- 6. **Salvage rights.** If we notify you that we will pay your claim or part of your claim, the notice must also state whether we will or will not take all or any part of the damaged property. We must bear the expense of our salvage rights.





Notice!

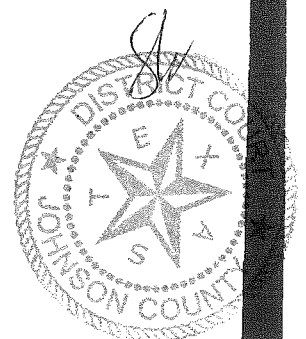
This Policy does not cover flood.

CA-G50023

Did you know this policy does not cover your home or possessions from losses occurring from flooding? Ask your agent about the Horace Mann Flood Placement Program, authorized to provide coverage through the National Flood Insurance Program.

* D2004 942001842956 00039 *







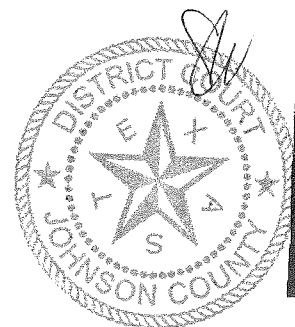
Your Horace Mann rates are designed for you. Many factors are considered. We look at the cost to replace your home based on its special features, proximity to a fire department and hydrant, construction type, age of dwelling, etc. We also look at your insurance score derived from information in your credit history. All these, and more, weigh in to determine your rate for insurance. Your insurance score did not qualify you for our best insurance score rate. Some of the reasons affecting your insurance score include unfavorable number of adverse public records and recent collection. This information is provided to us by our consumer reporting agency.

You may check the information in your credit history to be sure it is accurate. You may get a free copy of your credit report within 60 days of the date you receive this notice. To do so, contact Trans Union LLC, National Disclosure Center, P.O. Box 1000, Chester, PA 19022; or you may call them at 1-800-645-1938. If you correct any information in your credit report and you would like us to rerun your score, you must let us know in writing to do so. Trans Union is not responsible for any action taken regarding your insurance policy.

Privacy of your information is very important. When your insurance score is provided to us, we do not see your actual credit report. Rather a third party reporting agency, Trans Union LLC, sends us just the score based on information in your credit history. And while we may relay this score internally to our underwriting affiliates, we do not share this information we receive with any other company.

CA-P50097

CA-P50097





Insured/Adjusting Firm: Chrisa Horare Mann
 Address: 1 N Walnut
 City, State, Zip: _____
 Adjuster Name: Chrisa Hamilton
 Date: _____ Job No: _____

WORK PROPOSAL AND AUTHORIZATION

American Technologies, Inc. (the "Contractor") makes the following work proposal (the "Proposal") to Bradley Allen (the "Client").

WORK: Contractor will furnish all materials, equipment, subcontractors and perform all labor necessary to complete the following work (the "Work"): Board up

Contractor shall carry adequate commercial liability insurance and workers' compensation insurance in the amount legally required, and will pay all federal and state taxes on the materials and labor included in the Work. Contractor shall be acting solely for the Client and not for Client's insurer/adjuster.

CONTRACT TIME: If this Proposal is accepted on or before 5/16/13 (the "Proposal Deadline") the Work will be started by: _____ and will be substantially completed by: _____. The Work will be performed as expeditiously as reasonably possible in a good and workmanlike manner. The Work will be considered substantially complete when all elements of the Work have been completed except for minor unfinished items that do not prevent Client's beneficial use and legal occupancy of the jobsite. The above start date and completion date are estimates and are subject to delays caused by bad weather, fire, flood or other casualty, labor disputes, unusual delay in obtaining materials, changes ordered in the Work, concealed, unknown or unusual conditions or other causes beyond Contractor's reasonable control.

INSURANCE: Client hereby (1) assigns to Contractor, Client's right to be paid insurance proceeds relating to the Work; (2) appoints Contractor as Client's attorney-in-fact to endorse insurance checks issued in Client's name; (3) instructs Client's insurer to either pay the insurance proceeds due relating to the Work directly to Contractor or to insert Contractor's name in each insurance check or draft made in payment of the loss and send such payment to Contractor; (4) agrees to pay directly to Contractor any amount not covered by Client's insurer; (5) shall, unless Contractor agrees otherwise, carry adequate property damage and liability insurance to cover the Work.

CONTRACT SUM:

- ☒ Authorize to commence Work with the understanding that all costs and terms will be in detail and submitted in writing to Client.
☐ Fixed Sum of \$ _____
☐ Time & Materials to include labor, materials, equipment and other costs (see attached fee schedule).

PAYMENT TERMS: Payment shall be made ☐ by single payment ☒ as the Work progresses according to the following schedule:

The entire balance (if any) is due within 10 days after substantial completion. All deductible amounts not covered by insurance and all additional Work authorized in a change order must also be paid and are due upon acceptance of work.

LIMITATION OF LIABILITY: Client agrees that Contractor's liability for any breach for this agreement, and for any matters arising out of or related to Contractor's work under this agreement, shall be limited to the amount paid by Client to Contractor for Contractor's work under this agreement.

DISPUTES: All disputes involving claims of amounts under the jurisdictional limit of the Small Claims Court in the county in which the work was performed or less shall be resolved in Small Claims Court in the county in which the Work was performed, unless the parties mutually agree otherwise.

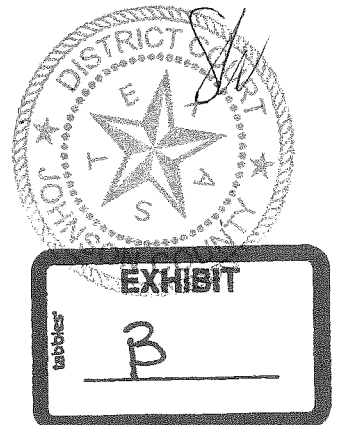
PAYMENT SCHEDULE TERMS: The following terms apply to the payment schedule:

- If the payment schedule provides for a down payment before the Work begins, such down payment shall not exceed \$1,000 or 10% of the Contract price, excluding finance charges, whichever is less.
- In no event shall the payment schedule provide for Contractor to receive, nor shall Contractor actually receive, payment in excess of 100% of the value of the Work, excluding finance charges.
- Contractor's failure, without lawful excuse to substantially begin the Work within 20 days after the estimated Start Date, shall postpone the next succeeding payment to Contractor for the period of time equal to the period of delay in excess of 20 days after the estimated Start Date.
- The terms specified in paragraphs 1-3 above, shall not apply when the Contractor has provided a performance and payment bond, lien and completion bond, bond equivalent, or joint control approved by the Registrar of Contractors, or when the parties agree to full payment to be made upon, or for a schedule of payments to begin, after satisfactory completion of the Work.
- Any payment due and unpaid under the Contract shall bear interest from the date payment is due until the date paid in full at the highest rate then permitted by law.

White - Contractor Copy

Yellow - Insurance Company Copy

Pink - Customer Copy
 AT-085-TX, Rev. 10/2012



CHANGE ORDERS: A Change Order is an amendment to the Contract signed by Client and Contractor that authorizes a change in the Work or an adjustment in the Contract Sum or the Contract Time. Client may request a Change Order for a change in the work, but such change order shall not be effective or become a part of this contract until accepted and signed by Contractor. Contractor is entitled to a change order for delays encountered in the work, for concealed, unknown or unusual conditions, for extra work actually performed, and for new or additional governmental requirements concerning or affecting the work which become effective during the Contract Time, and for Contractor's judgment, makes the work more expensive, burdensome or time-consuming. *502-27-160700*

LEGAL RIGHTS AND REQUIREMENTS: To secure payment of all amounts owed for Contractor's work and providing storage and protection for Client, Client acknowledges that Contractor has a lien on all property of Client in Contractor's possession pursuant to applicable state law. Removal of hazardous materials, including asbestos, is subject to additional legal requirements and is not a part of this Proposal unless it is specifically addressed herein. Client should inform Contractor if Client is aware of any asbestos or lead in any part of the building (built before 1978). *Brady*

SEVERABILITY: If any provision of this contract is held by a court of competent jurisdiction to be void or unenforceable, the remaining provisions of this contract shall remain in effect.

LIST OF DOCUMENTS TO BE INCORPORATED INTO THE CONTRACT: *for manual*

BONDS: Client may require Contractor to obtain a performance and payment bond. If Client requests that such a bond be provided, Client shall reimburse Contractor for the cost of the bond.

NOTICES FOR RESIDENTIAL CONSTRUCTION PROJECTS

This contract is subject to Chapter 27 of the Texas Property Code. The provisions of that chapter may affect your right to recover damages arising from a construction defect. If you have a complaint concerning a construction defect and that defect has not been corrected as may be required by law or by contract, you must provide the notice required by Chapter 27 of the Texas Property Code to the contractor by certified mail, return receipt requested, not later than the 60th day before the date you file suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the construction defect. If requested by the contractor, you must provide the contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.

IMPORTANT NOTICE: You and your contractor are responsible for meeting the terms and conditions of this contract. If you sign this contract and you fail to meet the terms and conditions of this contract, you may lose your legal ownership rights in your home. **KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW.**

SUBMISSION AND ACCEPTANCE

Respectfully submitted by Contractor:
Americash Technologies, Inc., a California Corporation

By: _____
It: _____

Client hereby accepts the foregoing Proposal. The Contractor is authorized to do the Work as indicated, and Client will pay for it in the time and manner specified.

Accepted by Client:

Name: *E. Allen*
Signature: _____ Date: *5/20/13*
Signature: _____ Date: _____
Address: *1010 Clav Ave*
City: *Alhambra, CA 91803* State: _____ Zip: _____
Phone: *(627) 832-1097* Fax: () _____

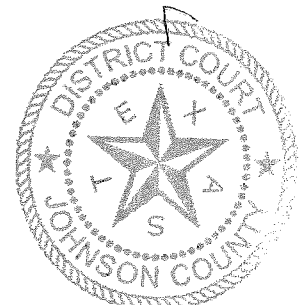
<input type="checkbox"/> CARBORATE (714) 353-0850 (714) 253-0955 Fax	<input type="checkbox"/> ALBUQUERQUE (505) 254-7207 (505) 863-7354 Fax	<input type="checkbox"/> CHICAGO (847) 643-9103 (847) 643-9155 Fax	<input type="checkbox"/> DALLAS (972) 253-1250 (972) 353-1810 Fax	<input type="checkbox"/> LAS VEGAS (702) 693-0400 (702) 693-0707 Fax	<input type="checkbox"/> LOS ANGELES (916) 700-6300 (916) 700-6335 Fax	<input type="checkbox"/> NEW ENGLAND (603) 630-2055 (603) 650-2030 Fax
<input type="checkbox"/> PHOENIX (480) 434-4443 (480) 434-4443 Fax	<input type="checkbox"/> RIVERSIDE (951) 683-0303 (951) 683-0335 Fax	<input type="checkbox"/> SACRAMENTO (916) 353-3400 (916) 353-3455 Fax	<input type="checkbox"/> SAN DIEGO (619) 553-3400 (619) 553-3401 Fax	<input type="checkbox"/> SAN FRANCISCO (415) 622-6000 (415) 423-2015 Fax	<input type="checkbox"/> SAN JOSE (408) 533-3450 (408) 533-3407 Fax	<input type="checkbox"/> TUCSON (520) 677-0300 (520) 677-0345 Fax

Toll Free (800) 400-0333

White - Contractor Copy

Yellow - Insurance Company Copy

Pink - Customer Copy
AT-265-TX Rev. 10/2012
Page 3 of 3



7-7-2015
Sally Van Slyke